

Summary of results: “pro forma” economic performance

Income statement data

€million	2025	2024	Change	% Change
Revenue from sales and services	2,788.5	2,725.4	63.2	2.3%
Other revenue and income	197.5	169.3	28.2	16.7%
Costs of materials and overhead	1,279.3	1,292.4	(13.1)	(1.0%)
Personnel costs	325.4	293.4	32.0	10.9%
Net income/(expense) from commodity risk management	0.0	0.0	0.0	n.s.
Profit/(loss) from non-financial equity investments	38.6	20.1	18.5	92.3%
EBITDA	1,420.0	1,329.0	91.0	6.8%
Net depreciation, amortisation and provisions, write-downs (write-backs) of trade receivables	826.9	752.6	74.3	9.9%
Operating profit/(loss)	593.2	576.5	16.7	2.9%
Financial income, financial expenses	(135.9)	(136.3)	0.4	(0.3%)
Profit/(Loss) on equity investments	91.8	(5.7)	97.5	n.s.
Profit/(loss) before tax	549.0	434.5	114.5	26.4%
Income tax	160.8	139.2	21.6	15.5%
Gains or losses from continuing operations	388.2	295.3	93.0	31.5%
Profit/(Loss) from discontinued operations	127.1	71.7	55.4	77.3%
Net profit/loss	515.4	367.0	148.4	40.4%
Profit/(Loss) due to third parties	34.8	35.2	(0.5)	(1.3%)
Net profit/(loss) attributable to the Group	480.6	331.7	148.9	44.9%

As at 31 December 2025, **revenue from sales and services** amounted to €2,788.5 million, an increase of €63.2 million (+ 2.3%) compared to the previous year. The increase is attributable to the following offsetting effects:

- higher revenue from the integrated water service (+€49.3 million), mainly attributable to Acea Ato 2 (+€30.0 million) and GORI (+€20.4 million) due, in addition to the organic growth driven mainly by investments and the estimate of adjustments for pass-through items (electricity, wholesale water, etc.), also to the 2024-2029 tariff update following the introduction of the Water Tariff Method for the IV regulatory cycle (MTI-4);
- higher revenue from customer services (+€32.0 million), mainly linked to the public lighting contract with the Municipality of Rome (+€15.8 million) and the increase in work for third parties (+€12.7 million), mainly relating to Acea Ato 2 (+€6.7 million) from the provision of ancillary services to the integrated water service for users, and Acea Infrastructure (+€2.9 million) for engineering, laboratory and analysis activities carried out for third-party customers;
- higher revenue from waste disposal and landfill operations (+€9.1 million), thanks to the positive contribution from the mechanical biological treatment (MBT) and landfill sectors, particularly at the Deco plants (+€10.3 million), resulting from the tariff increase applied and higher volumes of waste received. This change was also influenced by the shutdown of the Terni plant during the first five months of 2024 (+€4.9 million). This increase was offset by the decline in the Liquids Treatment segment (-€4.3 million) after the disposal of the stake in Berg at the end of 2024;
- higher revenue from water operations abroad (+€4.3 million) due to higher revenue from Acea Peru (+€19.2 million), after the acquisition of new contracts, partly offset by the reduction at Consorcio Lima Norte (-€10.3 million) following the expiry of the three-year contract for the maintenance of the water and sewerage network in the northern area of Lima and the decrease recorded by Acea Peru (-€3.1 million) due to lower activity levels;
- lower revenue from electricity sales and services (-€38.2 million), resulting partly from the expected decline in the enhanced market and partly from lower revenue from energy management activities relating to the sale of energy to third parties. This effect was offset by the increase in revenue from transmission and distribution activities, resulting from the higher mandatory tariffs in 2025 compared to the tariffs applied in 2024.

Other revenue increased by €28.2 million (+ 16.7%) compared to the previous year, arising from the following: i) recognition of the bo-



nus envisaged on the basis of the incentive for Technical Quality of the Integrated Water Service for the years 2022-2023 (Resolution 277/2025), amounting to €24.9 million; ii) higher contributions (+€12.0 million) following the release of the capital grants received for the NRRP predominantly by areti (+€10.1 million). This increase was offset by lower non-recurring gains (-€4.2 million) and the lower IFRIC 12 margin (-€5.4 million).

External costs decreased by a total of €13.1 million (- 1.0%) compared to 31 December 2024, mainly due to i) lower energy purchase and distribution costs (-€45.2 million), which were affected by the opposing effects of lower electricity purchase costs (-€75.8 million) linked to the natural reduction in energy purchase costs in the protected market, and the activities of Energy Management, which reflected the trend in revenue, offset by higher costs due to distribution, transmission and metering (+€24.9 million) resulting from the increase in the CTR fee for the transmission service, partly offset by the reduction in energy drawn from the National Transmission Grid and by costs relating to reactive energy, as a result of the new regulation contained in Resolution 712/22/R/eel of areti; ii) higher costs for services and contracts (+€30.7 million) as a result of increased contracted work activity (+€25.2 million), and higher costs for electricity, water and gas consumption (+€10.6 million), in particular at GORI from the increased consumption resulting from greater use of water supply systems, as a consequence of the water crisis, partly offset by lower costs for the disposal and transport of sludge, slag, ash and waste (-€11.7 million) resulting from both lower volumes and the tariff effect.

Labour costs increased by €32.0 million compared to the previous period (+ 10.9%), mainly attributable to the increase in remuneration components, following the adjustment of national collective labour contracts, as well as a different workforce composition, partially offset by higher capitalised labour costs during 2025 in line with the growth in investments.

The average number of employees was at 8,559, increasing slightly compared to the previous year (+73 employees).

€million	2025	2024	Change	% Change
Personnel costs including capitalised costs	545.9	489.9	56.0	11.4%
Capitalised costs	(220.6)	(196.5)	(24.0)	12.2%
Personnel costs	325.4	293.4	32.0	10.9%

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

€million	2025	2024	Change	% Change
EBITDA	196.9	192.4	4.5	2.3%
Amortisation, depreciation, impairment and provisions	(132.6)	(146.0)	13.4	(9.2%)
Profit/(Loss) on equity investments	(0.0)	(0.0)	(0.0)	76.4%
Financial operations	(8.0)	(13.9)	5.9	(42.5%)
Taxes	(17.6)	(12.3)	(5.3)	42.9%
Income from equity investments of a non-financial nature	38.6	20.1	18.5	92.3%

Income from equity investments for these companies increased by €18.5 million compared to the previous year, due to the positive performance of companies operating in the water sector, in particular Publiacqua (+€7.5 thousand), mainly due to lower depreciation and amortisation compared to the previous financial year, and from photovoltaic generation (+€4.5 thousand). The increase was partly attributable to the write-down of DropMI's unrealised projects in the previous financial year (+€5.5 million).

EBITDA rose from €1,329.0 million at 31 December 2024 to €1,420.0 million at 31 December 2025, recording an increase of €91.0 million or 6.8%. The non-recurring items for the 2025 financial year (+€20.5 million) were largely attributable to the following offsetting: i) the recognition of the bonuses provided under the incentive scheme to regulate the technical quality of the integrated water service for 2022-2023 in accordance with Resolution 277/2025 (+€24.9 million); ii) the recognition of certain contingent assets relating to accrued energy costs and contingent liabilities for historic energy accounts dating back more than ten years (+€10.6 million); iii) the recognition of capital losses relating to AT assets sold to Terna (-€8.3 million); iv) the shutdown of the flue gas line at the San Vittore WTE plant (-€5.5 million). Non-recurring items for the 2024 financial year amounted to €37.6 million, and arose largely from the following offsetting effects: i) tariff surpluses in the water sector (+€34.7 million), partially offset by the write-down on the Calix project (-€5.5 million); ii) release of the pensioner tariff concessions provision after the agreement signed in June 2024 (+€17.1 million); iii) negative entries (-€8.7 million) linked to extraordinary events at plants in the Environment segment, mainly due to the shutdown of the Terni plant and the collapse of the Cirsu tank.

The change in EBITDA (+€108.1 million) is therefore due to the following offsetting factors:

- higher margins achieved by the Water business unit for €57.5 million, deriving both from the growth in water tariff revenues related to non-pass-through items (+€49.1 million) linked to the Capex and OpexEnd component and from operating efficiencies on lower disposal and maintenance costs (+€8.2 million);
- higher margins of €32.0 million in the Networks & Public Lighting business unit, resulting from organic tariff growth (+€31.2 million), the release of capital grants (+€10.3 million) and improvement in the margin relating to Public Lighting (+€3.0 million), which offset the reduction in WACC (5.6% vs 6.0%), which impacted negatively for approximately €15.0 million;
- higher margins for the Production business unit (+€13.7 million), relating mainly to higher margins from hydroelectric production (+€9.3 million), impacted by the price effect of €3.6 million (+€7/MWh) as well as by higher volumes produced for €5.7 million (+ 41 GWh). The photovoltaic sector also made a positive contribution (+€5.2 million), thanks to the higher volumes processed, partly as a result of new plants coming on stream, whereas the thermoelectric sector recorded a loss of €1.9 million compared to the previous financial year;
- higher margins of €5.5 million achieved by the Environment BU, reflecting the improvement in the WTE margin (+€7.3 million), partly offset by the contraction in the Recycling margin (-€3.1 million), mainly due to the lower volumes supplied to sorting plants (-7,000 tonnes);
- higher margins achieved by the Energy Management BU (+€6.8 million) thanks to an improvement in the Energy Management margin (+€16.1 million), mainly as a result of changes in the management of revenue from import capacity refunds, and operational efficiencies (+€1.6 million). This increase was partly offset by the reduction in margins on the Protected Market (-€5.7 million) due to the “natural” loss of customers to the Open Market (- 48%), which was not offset by the application of higher tariffs, and by lower margins for strategic environmental assessments (VAS) (-€4.0 million), which relates to sales, installation and customer support in relation to smart services);
- lower margins in the Engineering business unit (-€2.3 million), mainly due to higher construction costs associated with the Versalis contract;
- lower corporate margin due to an increase in costs, primarily relating to staff, IT and supplies (-€2.7 million).

EBIT amounted to €593,2 million and increased by €16.7 million compared to the previous year. Below are details of the items influencing EBIT.

€million	2025	2024	Change	% Change
Depreciation/amortisation and impairment losses	672.9	631.7	41.2	6.5%
Net write-downs (write-backs) of trade receivables	98.3	84.2	14.1	16.7%
Provisions and releases for risks and charges	55.7	36.6	19.0	52.0%
Amortisation, depreciation, impairment and provisions	826.9	752.6	74.3	9.9%

The increase in **amortisation and reductions in value** (+€41.2 million) referred to higher amortisations (+€32.1 million), linked mainly to regulated businesses, for the most part in the “Networks & Public Lighting” segment, as a result of the higher investments and assets previously under construction coming on line and higher reductions in value (+€9.1 million). Impairment losses for the financial year totalled €33.3 million; these resulted from impairment testing and primarily relate to i) the goodwill of Demap, amounting to €1.7 million; ii) the plants at Monterotondo (€4.8 million), Aprilia (€14.0 million), Tor di Valle (€3.1 million) and the Parco della Mistica photovoltaic plant (€3.3 million); iii) and finally the write-down of Acea Ato 2’s plant and equipments (€3.6 million) for meters replaced but not sold, and for plant and equipments where the implementation phase has not yet commenced.

Net writedowns (writebacks) of trade receivables increased compared to the previous year (+€14.1 million), mainly as a result of greater hedging of the stock of impaired water receivables, also in terms of accelerating their possible disposal. The slight increase in the weight of provisions on consolidated revenues (3.29% vs. 2.91%) is therefore attributable to this phenomenon, while the collection on current turnover is constantly improving.

Provisions and releases for risks and charges increased overall with respect to the previous year (+€19.0 million). Provisions for the financial year, amounting to €73.0 million, were mainly attributable to:

- regulatory risks (€6.2 million), mainly relating to Acea Produzione, in connection with regional fees and surcharges for hydroelectric plants and free energy, as per regional legislation;
- legal risks (€15.2 million), arising from the prudential provisions made primarily by Acea Ato 2 in relation to the following disputes: i) a dispute with Enel Green Power Italia regarding the determination of outstanding water supply adjustment payments for the “Le Capore” spring diversion concession; the subject of this dispute is the method for calculating these payments (a provision of €5.3 million was made following receipt of the draft expert report); ii) the case before the Civil Court of Rome concerning the right to claim payment for post-operational management fees at the Malagrotta landfill for the period 1985–2009 (a provision of €7.3 million was made following the filing of the expert report);
- other risks and charges (€10.6 million), relating primarily to areti (€8.6 million) for application fees and stamp duty on public street lighting licences, penalties under Resolution 604/2021, and penalties relating to public lighting;
- provisions for the early retirement, redundancy and Isopensione schemes (€33.7 million), almost all of which relate to the Isopensione scheme; in fact, the Acea Group has embarked on a far-reaching process of innovation and growth and, in this context, has launched initiatives aimed at optimising the organisational structure and facilitating generational change, including the signing of a specific agreement with trade unions on 5 December 2025.



These provisions are partially offset by reversals (-€17.3 million), including the reversal i) of €4.1 million relating to the Settlement Agreement with Roma Capitale concerning the public lighting service; ii) of €4.5 million being the provision for third-party liabilities of Acea Ato 5 in relation to the lapse of the implicit obligation, assumed towards OTA5 for the commitments set out in the Conciliation Proposal drawn up by the Conciliation Board following the resolution of the Conference of Mayors on 25 March 2025 (authorised by the company's Board of Directors in April 2025 with a mandate to the Chairman for the relevant signing); iii) a surplus relating to the one-off benefit to be paid as a definitive write-off of the pensioners' tariff concession for the unused portion amounting to €2.9 million); and iv) €1.3 million relating to prior commitments arising from the activities of Energy Efficiency, covering the expected outlays for the completion of three contracted projects and agent commissions.

Financial management recorded net expense of €135.9 million, slightly down compared to the previous year (+€0.4 million), due to the combined effects of lower financial income (€7.9 million) and lower financial expenses (€8.3 million). Regarding the change in income, this stemmed i) from the reduction in interest on the Parent Company's short-term deposits (-€6.0 million) resulting from reduced volumes of short-term deposits and interest rates, ii) from lower interest income from customers (-€5.1 million) linked to the fall in market rates iii) partly offset by higher income from the superbonus tax credit (+€3.7 million). The decrease in financial expenses was mainly attributable to i) lower interest on bond loans (-€11.1 million), following the repayment of the bond loan by the Parent Company in July 2024, ii) lower expenses on interest rate swaps (-€4.4 million) following the repayment of the Private Placement (AFLAC) in March 2025 iii) lower fees on assigned receivables (-€5.6 million) due to fewer receivables being assigned compared to the previous financial year by areti iv) and lower interest on short-term debt (-€6.1 million). This reduction was partly offset by i) higher interest on medium/long-term debt (+€14.3 million), following the drawdown of new loans; ii) higher financial expenses at Acea Ato 5 (+€3.7 million) relating to the effects of the items due to EGATO5 covered by the Settlement Agreement approved on 15 April 2025.

Income and expenses from equity investments yielded net income of €91.8 million, attributable to: i) the capital gain realised on the completion of the sale of the high-voltage (HV) network to Terna (+€111.3 million); ii) the capital gain from the sale of 30% of Acea Sun Capital's stake in the Equitix fund (+€5.3 million); iii) the write-down of €22.5 million from the proposed disposal of the minority stakes held in Publicacqua, following the Court of Florence ruling of 10 March 2026 (see the relevant section for further details).

A negative contribution came from the costs relating to capital losses from the sale of the 100% stake in Easolar (to which Acea Produzione transferred the photovoltaic plants in Nepi, Licodia and Bomarzo) to Acea Sun Capital, as part of the agreement with the Equitix fund (-€2.1 million) and the write-down of the stake in Acquedotto del Fiora following the impairment test (-€1.2 million).

The **estimate of fiscal charges** amounted to €160.8 million, compared to €139.2 million in the previous year. The decreased tax burden was mainly attributable to the effect of extraordinary transactions that were partially exempt from corporate income tax (PEX). The tax rate at 31 December 2025 was at 29.3% (compared to 32.0% at 31 December 2024).

The **net profit attributable to the Group** was €480.1 million, and showed an increase of €149.0 million compared to the previous year (44.9%). Excluding the once-off items, profit for the period was at €376.0 million, compared to €327.1 million in the previous financial year (+15.0%).

Summary of results: trends in financial position and cash flows

Financial position data

€million	31/12/2025	31/12/2024	Change	% Change
Non-current assets and liabilities	9,020.9	8,844.2	176.8	2.0%
Net working capital	(884.4)	(1,015.0)	130.6	(12.9%)
Net invested capital	8,136.6	7,829.2	307.4	3.9%
Net Financial Debt	(4,962.9)	(4,953.6)	(9.3)	0.2%
Total Shareholders' Equity	(3,173.7)	(2,875.6)	(298.1)	10.4%

NON-CURRENT ASSETS AND LIABILITIES

With respect to 31 December 2024, non-current assets and liabilities increased by €176.8 million (+ 2.0 %), below is a breakdown of the item:

€million	31/12/2025	31/12/2024	Change	% Change
Tangible/intangible fixed assets	8,707.1	8,124.0	583.2	7.2%
Equity investments	389.2	496.1	(106.9)	(21.5%)
Other non-current assets	938.8	1,110.4	(171.7)	(15.5%)
Non-current assets held for sale	742.7	181.3	561.4	n.s.
Employee severance indemnity and other defined-benefit plans	(102.3)	(83.8)	(18.5)	22.1%
Provisions for risks and charges	(197.8)	(227.9)	30.1	(13.2%)
Other non-current liabilities	(980.2)	(744.2)	(236.0)	31.7%
Non-current liabilities held for sale	(476.6)	(11.8)	(464.8)	n.s.
Non-current assets and liabilities	9,020.9	8,844.2	176.8	2.0%

The increase in **fixed assets** (+€583.2 million) mainly derives from the increased investments, totalling €1,531.3 million, partly offset by amortisation/depreciation in the period for a total of €672.9 million and disposals for €37.6 million. Also contributing to the changes was the change in exposure of Acea Energia and Umbria Energy to assets held for sale pursuant to IFRS 5 for €232.4 million.

Investments show an increase of €92.4 million compared to the previous year, mainly as a result of the growing focus on regulated activities particularly in the Networks & Public Lighting Segment, for upgrading and renovation of the LV network, and in the Water segment, mainly for Acea Ato 2 major works and GORI investments. In addition, the change in investments was affected by the deconsolidation of Acquedotto del Fiora (-€36.6 million). The breakdown by operating segment is provided below:

Investments

€million	31/12/2025	31/12/2024	Change	% Change
Water	890.8	887.3	3.5	0.4%
Water (Overseas)	9.9	8.5	1.4	16.5%
Networks & Public Lighting	384.7	316.5	68.2	21.5%
Environment	116.5	108.5	8.0	7.4%
Energy Management	67.6	67.5	0.1	0.2%
Production	32.6	25.0	7.6	30.2%
Engineering & Infrastructure Projects	3.3	5.2	(1.9)	(36.5%)
Corporate	25.9	20.4	5.5	26.9%
Total investments	1,531.3	1,438.9	92.4	6.4%



Equity investments decreased by €106.9 million compared to 31 December 2024 from the combined effects of the following factors: i) the IFRS 5 reclassification of the investment held in Publiacqua (-€114.3 million); ii) the period's valuations (+€39.1 million) recognised under the item "Income/Expenses from non-financial investments"; iii) to a lesser extent, the distribution of dividends (-€4.9 million) and the change in "other comprehensive income" reserves (-€12.3 million). The change in the scope of consolidation (+€1.2 million) reflected the effects of the consolidation of RenewRome (+€11.6 million) and Aretusa Acqua (+€1.0 million), as well as the sale to the Equitix fund of the 30% stake held in Acea Sun Capital (-€11.6 million).

The balance for **severance indemnity and other defined-benefit plans** increased by €18.5 million. This was mainly due to provisions for early retirement, redundancy and Isopensione schemes (+€33.7 million), net of utilisations during the period (-€6.6 million) and the decrease in the severance indemnity provision and other plans (-€3.3 million). The discount rate rose from 3.38% at 31 December 2024 to 4.3% at 31 December 2025.

It is noted that in the presentation of the *pro forma* income statement, provisions for early retirement, redundancy and Isopensione schemes are presented in the same way as in previous financial years, i.e. as provisions for risks.

Provisions for risks and charges decreased by €30.1 million compared to the previous year; the details, divided by the nature of the provisions, and changes are presented below:

€million	31/12/2024	Uses	Provisions	Release for Excess Provisions	Reclassifications/Other changes	Reclassification of discontinued operations	31/12/2025
Legal	(2.3)	15.2	(1.5)	(0.1)	(0.1)	27.0	27.0
Taxes	0.0	1.7	(0.7)	0.0	(3.1)	3.5	3.5
Regulatory risks	(23.5)	6.2	0.0	(0.3)	(5.0)	25.9	25.9
Investees	(0.1)	0.0	(1.0)	(0.6)	0.0	8.2	8.2
Contributory risks	0.0	0.4	(0.1)	0.0	(0.0)	4.7	4.7
Insurance deductibles	(2.0)	1.7	0.0	0.0	0.0	9.3	9.3
Other risks and charges	(3.5)	12.7	(6.5)	0.9	(12.0)	30.5	30.5
Total provision for risks	(31.3)	38.1	(9.9)	(0.1)	(20.2)	109.1	109.1
<i>Post mortem</i>	(0.4)	0.0	0.0	1.6	0.0	74.5	74.5
Provision for Expenses payable to others	(0.9)	1.2	(7.4)	(0.7)	(0.1)	14.3	14.3
Total provisions for expenses	(1.3)	1.2	(7.4)	0.9	(0.1)	88.7	88.7
Total provisions for risks and charges	(32.6)	39.2	(17.3)	0.8	(20.3)	197.8	197.8

With regard to provisions and reversals for the period, please refer to the comments on the income statement in the annual report. The utilisations relate mainly to:

regulatory risks concerning i) the resolution of the dispute with the Abruzzo Regional Government (state property fees for 2015-2022 – Regional Law 38/2013), amounting to €14.5 million for Acea Produzione, following the unfavourable ruling by the Water Court and the decision not to appeal; ii) the provision set aside for penalties relating to the continuity of the areti service, amounting to €7.2 million; and iii) the payment of BIM (Mountain Catchment Area) fees for the provinces of Perugia and Rieti, amounting to €1.8 million for Acea Produzione;

under 'Other risks and charges', the principal amounts utilised were i) €1.1 million by a.cities, to settle the dispute with Argentiera (Isola Verde); ii) €0.8 million by areti, largely comprising penalties relating to Resolution 604/2021 regarding the implementation of measures to incentivise the reduction of multi-year adjustments for the electricity sector, as provided for by ARERA, which establishes the payment of a penalty to CSEA for billing adjustments relating to previous years occurring with a delay of more than 24 months.

Other non-current assets fell by €171.7 million, impacted by the reclassification of non-current assets held for sale (€60.7 million); see the section "Application of the IFRS 5 accounting standard" in the consolidated financial statements for more information. Excluding this change, the item decreased by €119.1 million, mainly attributable to: i) lower receivables for regulatory lag and tariff adjustments (-€41.5 million); ii) the decrease in the long-term portion of tax receivables accrued following energy efficiency works (-€53.3 million), as to the part used in set-off; iii) the lower taxes (€27.4 million) partly offset by the reclassification of the investment in Bonifiche Ferraresi from "Other Investments" to "Financial Assets in Shares" (+€10.9 million). The increase in **other non-current liabilities** (+€236.0 million) was influenced by the reclassification of liabilities directly associated with assets held for sale (+€8.3 million). Net of this change, the item shows an increase of €244.3 million as a result of the higher deferrals related to the advance payment on the public financing under the National Recovery and Resilience Plan (NRRP), mainly of Acea Ato 2 (+€66.3 million), areti (+€57.0 million) and GORI (+€85.3 million).

NET WORKING CAPITAL

The change in net working capital compared to 31 December 2024 results from the combined effect of the decrease in current receivables (-€179.1 million), the increase in other current assets (+€88.8 million), the decrease in current payables (-€246.2 million) and the decrease in other current liabilities (-€133.8 million).

€million	31/12/2025	31/12/2024	Change	% Change
Current receivables	848.5	1,027.6	(179.1)	(17.4%)
- of which end users/customers	770.7	975.2	(204.5)	(21.0%)
- of which Roma Capitale	20.3	22.2	(1.9)	(8.4%)
- of which from subsidiaries and associates	57.5	30.2	27.3	90.4%
Inventories	141.0	122.6	18.4	15.0%
Other current assets	358.9	447.7	(88.8)	(19.8%)
Current payables	(1,626.2)	(1,872.5)	246.2	(13.2%)
- of which Suppliers	(1,616.6)	(1,855.5)	239.0	(12.9%)
- of which Roma Capitale	(7.3)	(14.0)	6.8	(48.2%)
- of which from subsidiaries and associates	(2.4)	(2.9)	0.5	(18.0%)
Other current liabilities	(606.5)	(740.4)	133.8	(18.1%)
Net working capital	(884.4)	(1,015.0)	130.6	(12.9%)

Receivables from users and customers, net of the provision for doubtful debts, amounted to €770.7 million and, net of the change related to the reclassification of the discontinued operation (-€233.1 million), increased by €28.8 million compared to 31 December 2024, mainly due to the increase recorded in the Networks & Public Lighting Segment (+€27.9 million), the Engineering & Infrastructure Projects segment (€6.4 million), less the decreases in the Water (-€3.5 million) and Production Segments (€2.3 million). The provision for doubtful debts amounted to €559.4 million, a decrease of €66.6 million compared to 31 December 2024 (€626.0 million) due to the combination of the exclusion of discontinued operations and provisions for the period.

RELATIONS WITH ROMA CAPITALE

As regards relations with Roma Capitale, the net balance at 31 December 2025 was €28.0 million payable by the Group (balance receivable of €22.3 million at 31 December 2024). Below is a breakdown of the situation with Roma Capitale

Receivables due from Roma Capitale

€million	31/12/2025	31/12/2024	Change
Utility receivables	13.1	18.4	(5.3)
Provisions for impairment	(0.3)	(1.7)	1.5
Total receivables from users	12.8	16.6	(3.8)
Receivables for water works and services	2.3	3.8	(1.5)
Receivables for water works and services to be invoiced	1.2	1.3	(0.0)
Provisions for impairment	(0.8)	(2.4)	1.7
Receivables for electrical works and services	2.5	2.5	(0.1)
Receivables works and services - to be billed	4.0	0.7	3.3
Provisions for impairment	(1.5)	(0.3)	(1.2)
Total receivables for works	7.7	5.6	2.1
Total trade receivables	20.5	22.2	(1.7)
Financial receivables for Public Lighting services billed	14.6	155.8	(141.2)
Provisions for impairment	0.0	(58.0)	58.0
Financial receivables for Public Lighting services to be billed	31.4	46.2	(14.8)
Provisions for impairment	(0.9)	(24.2)	23.3
M/L term financial receivables for Public Lighting services	0.1	0.4	(0.3)
Total Public Lighting receivables	45.2	120.2	(75.0)
Total receivables	65.7	142.4	(76.7)



Payables due to Roma Capitale

€million	31/12/2025	31/12/2024	Change
Electricity surtax payable	(5.5)	(5.5)	0.0
Concession fees payable	(7.2)	(12.6)	5.4
Other payables	(4.3)	(5.7)	1.4
Dividend payables	(20.8)	(96.3)	75.5
Total payables	(37.7)	(120.1)	82.4
Net balance receivables payables	28.0	22.3	5.7

Trade and financial receivables presented an overall decrease of €76.7 million compared to the previous financial year, due to the passage of time and the receipts and payments made during the period, including the final settlement of receivables relating to Public Lighting, pursuant to the Settlement Agreement of 15 May 2025. The main changes during the year were as follows:

- accrual of receivables for the Public Lighting service for €52.2 million;
- accrual of receivables for the supply of water for €52.1 million;
- collection of receivables mainly for Acea Ato 2 utilities for €55.8 million;
- collection by means of set-off of current receivables for Public Lighting, of €55.0 million;
- collection through offsetting of receivables related to the three instalments of the Public Lighting Settlement Agreement of 15 May 2025 for €72.2 million;
- settlement of trade and financial receivables not recognised in the Agreement of 15 May 2025, comprising €13.8 million in trade receivables and €66.9 million in interest on late payments, fully written down in prior years.

Payables dropped by €82.4 million overall compared to the previous year. The main changes were as follows:

- higher payables due to the recognition of Acea stock dividends for 2024 for €103.2 million;
- payment of Acea's stock dividends accrued for the year 2024 for €51.6 million, corresponding to 50% of the total debt reported above;
- payment through offsetting of Acea share dividends for 2021, 2022 and 2024 for €127.1 million;
- higher payables due to the recognition of Acea Ato 2 stock dividends for 2024 for €3.0 million;
- higher payables due to the recognition of the Acea Ato 2 concession fee for 2025 for €25.3 million;
- payment of the 2024 concession fee of Acea Ato 2 for €12.6 million;
- an advance payment of €18.1 million towards the 2025 concession fee;
- payment of the balance of the share dividends of Acea Ato 2, recognised in the 2025 financial statements for €3.0 million.

It should also be noted that recurring payables recognised in 2025 were paid during the period by areti for road excavation licences for a total of €26.9 million.

Additionally, at the end of 2025, Acea Ato 2 authorised the write-off of the remaining receivables dating from before 2021, thereby writing off a total of €2.0 million in non-user receivables and €1.3 million in user receivables. At 31 December 2025, the provision stood at €0.8 million, relating exclusively to so-called non-user receivables.

Recall that 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. The Group companies chiefly concerned are Acea and Acea Ato 2. 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.

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. Therefore, also during 2021, while awaiting the conclusion and finalisation of these aspects, Acea regularly continued to provide the Public Lighting service. The service has therefore been invoiced and has partly already been paid by Roma Capitale, as seen in the data below:

- in 2020 at total of €33.3 million of receivables referred to the aforementioned report were settled in the Group;
- during 2021 a new Public Lighting Technical Panel comprising Acea and Roma Capitale was set up with the intention of continuing the resolution of issues preventing the liquidation of receivables. As a result of this work, Roma Capitale paid Acea the Public Lighting receivables for €75.2 thousand through offsets;
- during 2022, settlement activities with Roma Capitale continued, which allowed continuation of the liquidation of Acea receivables, through offsetting of a total of €56.5 million, of which €27.6 million relative to fees for previous years.

We can note that on 11 August 2022, the City Executive Committee with resolution no. 312 entitled “Public and artistic-monumental public lighting service on the entire municipal territory – Concessionaire: Acea SpA – Recognition of the perimeter of the payable situation and launch of the consequent procedures” recognised the perimeter of the Administration’s payables to Acea/areti in relation to the Public Lighting service as of 31 December 2021.

This resolution was published on the institutional website of Roma Capitale on 30 August 2022.

During 2023, specifically in September, the Acea Board of Directors, after receiving the opinion of the Related Party Transactions Committee, approved the proposal for a Settlement Agreement with Roma Capitale, to govern their reciprocal positions and the methods for the early consensual termination of the contractual relationships between the parties for the public lighting service provided by the Company and for it by the subsidiary areti SpA.

At the same time, Roma Capitale also approved the draft Agreement in the City’s Assembly in December 2023. With reference to the economic terms of this possible Settlement Agreement, substantially in line with the City Executive Committee resolution 312 of 11 August 2022, following the reciprocal renunciation by the parties, the agreement calls for the recognition of receivables due to Acea/areti from Roma Capitale for a total of around €100,685 million.

It is noted that the transaction covers multiple activities performed, referring to the operation under concession of the Public Lighting service in the capital and developed over several years, which are definitively formalised in the settlement agreement, with detailed administrative reconstruction and with a “tombstone” effect on the previous relations covered in said agreement, capable of preventing such disputes and controversies

On 15 May 2025, the Public Lighting Settlement Agreement, mentioned above, was formally signed, making it possible to finalise the previously envisaged accounting arrangement. In particular, the Agreement entailed:

1. the recognition of Acea’s trade receivables in the amount of €86.2 million including the VAT split payment (receivables recognised by Acea in the amount of €72.3 million net of the VAT split payment);
2. the recognition of Acea receivables for future accruals in the amount of €14.4 million including the VAT split payment (receivables recognised by Acea for €11.8 million net of the VAT split payment);
3. the non-recognition of Acea’s trade receivables in the amount of €16.7 million including the VAT split payment (receivables recognised by Acea in the amount of €13.8 million net of the VAT split payment). These receivables had already been fully written down in previous financial years through a specific provision for bad debts);
4. the non-recognition of receivables relating to late-payment interest on Acea receivables covered by the Agreement, amounting to €66.9 million (these receivables had already been fully written down in previous financial years through a specific provision for bad debts).

On maturity, Acea received the three instalments provided for in the Agreement under point 1); invoices relating to accrued investment costs remain outstanding, in which case, it is expressly stipulated that on termination of the Service Contract, payment will be made by Roma Capitale within 90 days of the date on which the new economic operator takes over the service (approximately €12 million), as referred to in point 2.

As for points 3) and 4), this non-recognition did not have a negative impact on the 2025 budget as these forecasts were already taken into account and the effects had been neutralised to the respective provision for doubtful debts. On the other hand, there was a positive effect resulting from the utilisation of the provision for doubtful trade receivables in respect of point 3), as the related provision exceeded the allowance by approximately €3.9 million. As far as point 4) is concerned, the previously earmarked provision was exactly the same as the utilisation agreed upon in the agreement and therefore the transaction was neutral.

The Agreement also produced further positive effects in the Group (for the subsidiary areti), as it provided for Roma Capitale to waive the penalties for late completion of works, and the administration fees - this made it possible to release liabilities for a total of €3.6 million.

Current liabilities decreased mainly due to a reduction in trade payables (-€239.0 million), which was influenced by the effects of the reclassification of liabilities to assets under discontinued operations (-€382.8 million). Excluding this reclassification, the upwards change (+€143.8 million) reflects a general increase. This is attributable not only to the normal dynamics of billing cycles, but also to changes in the companies’ operating environment, influenced by market trends and the strategies adopted to optimise working capital.

Other current assets and liabilities recorded a decrease in assets of €88.8 million and a decrease in liabilities of €133.8 million, compared to the end of the previous year. In detail, **Other assets** are mainly affected by the reduction resulting from the reclassification of assets to Discontinued operations (-€52.2 million) and, to a lesser extent, by lower tax receivables of €13.8 million and lower receivables due to the reclassification of receivables relating to the preparation of the PFTE and the detailed design phase of Acea Ambiente, for the construction of the Rome WTE plant (-€19.3 million) under Receivables from associates. **Current liabilities** have decreased, mainly due to the reclassification of legal liabilities to assets in Discontinued operations (-€55.1 million) and partly due to lower payables to the settlement fund of areti and Acea Energia (-€27.2 million) due to the offsetting of imbalances in the system for equalising the costs of purchasing and dispatching electricity intended for the protected market, the reduction in which stems from payments made in 2025.

SHAREHOLDERS’ EQUITY

The **shareholders’ equity** amounted to €3,173.7 million. The changes, amounting to €298.1 million, are detailed in the relevant table and are basically due to the accrual of profit for 2025, the change in cash flow hedge reserves and those formed with actuarial gains and losses.



Net financial debt

Group **debt** recorded an overall increase of €9.3 million, going from €4,953.6 million at the end of 2025 to €4,962.9 million at 31 December 2024.

€million	31/12/2025	31/12/2024	Change	% Change
A) Cash	625.4	513.5	111.9	0.0
B) Cash equivalents	0.0	0.0	0.0	n.s.
C) Other current financial assets	71.9	186.8	(114.9)	(0.0)
D) Liquidity (A + B + C)	697.3	700.3	(3.0)	(0.0)
E) Current financial debt	(86.1)	(155.7)	69.6	(0.0)
F) Current portion of non-current financial debt	(649.6)	(602.9)	(46.6)	0.0
G) Current financial debt (E + F)	(735.7)	(758.6)	23.0	(0.0)
H) Net current financial debt (G + D)	(38.3)	(58.3)	20.0	(0.0)
I) Non-current financial debt	(4,924.5)	(4,895.3)	(29.3)	0.0
J) Debt instruments	0.0	0.0	0.0	n.s.
K) Trade payables and other non-current payables	0.0	0.0	0.0	n.s.
L) Non-current financial debt (I + J + K)	(4,924.5)	(4,895.3)	(29.3)	0.0
Total financial debt (H + L)	(4,962.9)	(4,953.6)	(9.3)	0.2%

Non-current financial debt increased by €29.3 million compared with the end of the 2024 financial year. This change derives solely from the increase in medium/long-term loans for €534.4 million, partly offset by the decrease in bonds for €494.1 million, as shown in the table below:

€million	31/12/2025	31/12/2024	Change	% Change
Bonds	2,989.9	3,484.0	(494.1)	(14.2%)
Medium/long-term borrowings	1,867.2	1,332.8	534.4	40.1%
Financial liabilities IFRS 16	67.4	78.5	(11.1)	(14.1%)
Non-current financial debt	4,924.5	4,895.3	29.3	0.6%

Bonds amounting to €2,989.9 million at 31 December 2025 decreased by €494.1 million due to the reclassification to the short-term category of the bond maturing in October 2026, namely the Green Bond issued in 2016.

Medium/long-term loans equalling €1,867.2 million recorded an overall increase of €534.4. The change is mainly attributable to Corporate (+€582.0 million) as a result of the disbursement of new loans. These include bilateral corporate loans taken out with Mediobanca, Intesa Sanpaolo and UniCredit for a total amount of €350.0 million, and loans granted by the European Investment Bank (EIB) totalling €125 million intended for the modernisation and extension of the power grid in Rome and Formello, and an additional €150 million for areti and Acea Ato 2 investment plans already subject to previous loans.

The **fair value** of GORI hedging derivatives was positive for €2.0 million (positive for €2.8 million at 31 December 2024); the fair value of Integrated Water Services was positive for €0.4 million (positive €0.6 million as at 31 December 2024). Positive fair values are found under "Non-current financial assets" and are not considered in the balance of correlated loans.

Net current financial debt was a negative €38.3 million and, compared to the end of 2024, shows an improvement of €20.0 million. The change was mainly attributable to the Parent Company (-€8.0 million).

Specifically, the change at the Parent Company was generated by the repayment of the 2021 Green Bond that matured in September (+€300.0 million), the repayment of the Private Placement (AFLAC) and related hedging derivative (+€161.9 million), offset by the short-term reclassification of the 2016 Green Bond maturing in 2026 (-€500.0 million), lower time deposits (-€50.0 million) and higher bank and postal deposits (+€106.3 million).

Note that financial debt includes €20.8 million in payables to Roma Capitale for dividends resolved to be distributed and does not include other payables of around €5.5 million relating to share purchase options of the companies already held.

At 31 December 2025, the Parent Company had unused committed credit lines of €700.0 million and uncommitted lines of €755.0 million. No guarantees were granted in obtaining these lines. In addition, Acea has access to a €55 million EIB facility until February 2028, which is partially guaranteed by SACE.

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

- Fitch "BBB+";
- Moody's "Baa1".

Reference context

PERFORMANCE OF THE FINANCIAL MARKETS AND THE ACEA STOCK

Despite a highly volatile environment in 2025, the Eurozone stock market reached all-time highs, with the Euro Stoxx achieving a Total Shareholder Return (TSR) of 25.2%. Stock markets were mainly buoyed by expectations of the implementation of public spending programmes in the EU and Germany in the defence and infrastructure sectors, which have been released from the constraints of the Stability and Growth Pact, as well as prospects of monetary policy easing, including by the Fed, which, following signs of a slowdown in the US labour market, introduced 3 interest rates cuts at the end of the year (following the ECB's 4 cuts in the first 6 months), with expectations of additional cuts in 2026. Important risk factors – related to the protectionist trade policies of the US and the escalation of geopolitical tensions in the Middle East – were respectively contained by the adoption of new trade agreements and the end of Israel-Iran conflict.

The FTSE MIB closed the year with a TSR of 38.1%, 13 percentage points ahead of the overall Eurozone index, thanks to the significant contraction in the sovereign spread, and high exposure to the banking sector, the main beneficiary of the improved Eurozone macroeconomic scenario. In an international comparison, supported by the aforesaid public spending programmes, the eurozone stock market considerably outperformed the US; the S&P 500 showed a rise of only 17.9%, but when adjusted for currency trends, the eurozone's benchmark is 21 percentage points ahead.

German medium- to long-term bond yields rose sharply (10-year Bund +49 bps), supported by the expected growth acceleration and increased debt associated with the aforementioned government spending programmes.

Italian bond yields, on the other hand, remained largely stable, with the BTP-Bund spread down by 46 basis points (to 70 basis points), a 16-year low, thanks to upgraded ratings from the rating agencies (from BBB to BBB+ for both S&P and Fitch, and from Baa3 to Baa2 for Moody's).

Following the slowdown in the labour market and subsequent interest rate cuts implemented by the Fed, the US yield curve showed a significant decline (-40 basis points on the 10-year yield).

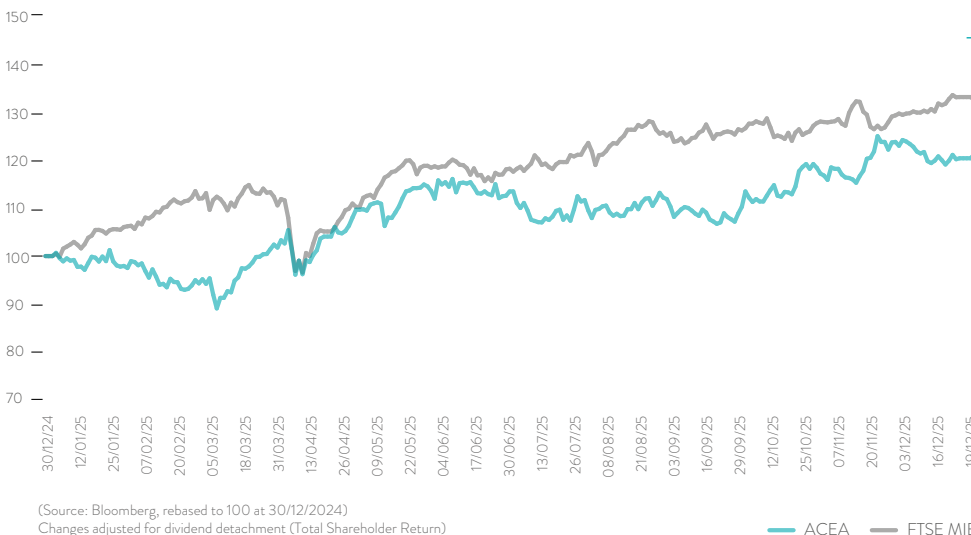
Reflecting the diverging trend in their respective bond yields, the EUR/USD exchange rate appreciated by 13%, to the highest levels in 4 years.

In this context, the Eurozone utilities sector - despite the inverse correlation of bond yields - rose 41.1%, outperforming the overall Eurozone index by 16 percentage points, mainly supported by German E.ON and RWE operators, beneficiaries of the government's energy infrastructure spending programmes.

Acea closed 2025 with 23.8% growth (TSR), mitigating, compared to the eurozone sector index, the strong outperformance achieved in 2024 when the stock had achieved a TSR of 42.9% vs +2.2% for the Euro Stoxx Utilities. On 23 June, the stock paid its €0.95 dividend from the profit for the 2024 period. The closing price for the period (€22.1) corresponds to a market capitalisation of €4,707 million; daily volumes were at 108 thousand units on average. The daily closing prices fluctuated between a minimum of €16.40 on 6 March and a maximum of €22.84 on 20 November, which represented a new historic high in adjusted terms for the ex-dividend and reinvestment.

TSR 31/12/2025
(compared to 31/12/24)

Acea	+23.8%
FTSE Mib	+38.1%





ENERGY MARKET

Throughout 2025, electricity and gas prices experienced an initial period of high volatility, to then gradually stabilise. Following mid-year tensions linked to the Middle East conflict, markets regained a degree of stability in the second half of the year, with prices remaining at moderate levels and without any significant fluctuations compared to the recent past.

In its October 2025 update to the World Economic Outlook, the International Monetary Fund confirmed that the global growth outlook remained weak and subject to predominantly downside risks, emphasising that the economic environment remained fragile: with uncertainty over trade policies, persistently high tariff barriers, weak productivity and risks linked to possible financial market corrections continuing to weigh on the outlook.

Following on from the first six months of the year being buoyed by temporary factors, the IMF forecast global growth at 3.2% in 2025 (0.2 percentage points higher than the July forecast) and 3.1% in 2026 (in line with the July forecast). Advanced economies were expected to grow by around 1.5%, whilst emerging and developing markets were expected to grow by just over 4%.

Among the major economies, growth in the United States was forecast at +2% in 2025 and 2.1% in 2026 (+ 0.1 percentage points for both years), supported by investments in technology and expansionary fiscal policies, whereas the Eurozone was projected at 1.2% in 2025 (+ 0.1 percentage points) and +1.1% in 2026 (-0.1 percentage points), with Italy's July forecast confirmed (+0.5% in 2025 and +0.8% in 2026). Also in the case of China, the IMF confirmed its July growth forecasts at 4.8% in 2025 and 4.2% in 2026.

Moving on to commodities, during 2025, the Brent registered an average level of \$68.25/bbl, down -15% on the previous year. Considering the fourth quarter alone, Oil was at an average level of \$63.2/bbl, down -15% on the fourth quarter of 2024 and down -7% on the third quarter of 2025.

Coal (API2) recorded an average price of \$99.5/t in 2025 (-11% compared to 2024), whilst in the fourth quarter of 2025 alone, it recorded an average price of \$95.95/t (-18% compared to the fourth quarter of 2024 and -4% compared to the third quarter of 2025).

CO₂ closed 2025 at an average value of €74.9/t, up by +12% compared to 2024, with only the fourth quarter of 2024 showing an average value of €81.5/t, up by +23% compared to the fourth quarter of 2024, and +12% with respect to the third quarter of 2025.

Relative to the domestic electricity balance, electricity demand in 2025 totalled 310.4 TWh, (source: Terna), down by -0.6% with respect to 2024. By removing the contribution of the extra day in

February 2024, the positive margin comes down to -0.3%.

Energy production stood at 232.7 TWh (+0.7% compared to the previous year), covering 75% of demand: specifically, the increase in thermal power generation (130.3 TWh, +5.6%) and solar power generation (34 TWh, +24.3%) offset the lower contributions from hydroelectric (41.9 TWh, -20.9%), wind (21.2 TWh, -3.6%) and geothermal (5.2 TWh, -0.4%) sources compared to a year ago. Net imports accounted for 15% of demand (46.9 TWh, -8%). Self-consumption and consumption by pumping closed the balance with 33.1 TWh (+2.3%).

During 2025, the average Single National Price (SNP) was €115.94/MWh, up by +7% compared to the previous year. The fourth quarter alone saw an average value of €114.51/MWh, down -10% compared to the fourth quarter of 2024, but up +4% compared to the first third of 2025.

Other European stock markets also saw prices rising in 2025 compared to 2024, with Germany and the Scandinavian region recording increases of +14% and +10% respectively, whereas France and Spain posted smaller increases of +5% and +4%, respectively.

With regards to the national balance of natural gas, a total of 64.4 billion scm was withdrawn in 2025 (source: Snam Rete Gas), up by +4.4% compared to the previous year. Excluding the distorting effect of the extra day in February 2024, the increase rises to +4.8%. In terms of demand, the thermal power sector consumed more gas than a year ago (22.3 billion scm, +6.7%), followed by slight increases in the industrial sector (11.7 billion scm, +1.1%), whereas the distribution sector recorded a slight decline (27 billion scm, -0.8%).

With regard to gas storage, both injections (10.4 billion scm injected) and withdrawals (11 billion scm withdrawn) were higher than a year ago (+25.5% and +29.1% respectively), with a storage fill rate of 73% at year-end. An increase in LNG imports (20.4 billion scm, +39.6%) more than offset a decline in pipeline imports (40.1 billion scm, -8.9%). National production closed the balance with 3.2 billion scm fed into the grid (+17.2%).

The average value of the TTF during 2025 was at 38.22 c€/scm (+5% compared to the beginning of 2024), while the PSV averaged 40.76 c€/scm in the same period (+6% compared to a year ago). The fourth quarter alone saw an average TTF value of €31.8/MWh (-30% compared to the fourth quarter of 2024, and -7% compared to the third quarter 2025) and an average PSV value of €33.97/MWh (-28% and -10% respectively). The PSV-TTF differential in 2025 recorded an average of +2.54 c€/scm, up by +0.4 c€/scm compared to the average value in 2024.

TARIFFS FOR TRANSPORT SERVICES

The regulatory provisions of the tariff regulation are set out in the "Consolidated Text of the Regulation on Expenditure and Service Objectives (ROSS) for regulated infrastructure services in the electricity and gas sectors for the period 2024-2031 (TIROSS)", annexed to Resolution 163/2023/R/com published on 20 April 2023, and in the Annexes to Resolution 616/2023/R/eel: "Consolidated Text of the Tariff Provisions for the Provision of Electricity Distribution Services (TID)"_Annex A, "Consolidated Text of the provisions for the regulation of electricity metering activities (TIME)"_ Annex B, "Consolidated Text of the economic conditions for the provision of connection services" (TIC)_ Annex C, published on 29 December 2023.

For the distribution service, ARERA confirmed unbundling of the tariff applied to end customers (the so-called compulsory tariff) from the reference tariff for determination of the constraint on revenue permitted to each company (the reference tariff).

On 15 May 2025, ARERA communicated via certified email the provisional reference tariff for the electricity distribution and metering services for the year 2025, subsequently approved with Resolution 217/2025/R/eel of 27 May 2025.

The compulsory tariffs for the year 2025 were published with Resolution 585/2024/R/eel for the electricity distribution and metering services for domestic and non-domestic customers.

In the half-period 2024-2027, the ROSS-base criteria apply with

reference to the distribution and metering activities, except for the recognition of the capital costs of the 2G smart metering systems, which will continue to be recognised according to the PMS2 (Operational Plan for the 2G smart metering system).

The total costs incurred by the company (operating expenditure and capital expenditure) are divided into a “Slow Money” portion and “Fast Money” portion based on a capitalisation rate set by ARERA for each company, using historical data provided via a dedicated survey.

The cost recognised for tariff purposes includes:

- the remuneration and amortisation of investments made up to the cut-off date (year 2023);
- the fast money portion;
- the slow money portion on which the remuneration of the invested capital and amortisation are calculated;
- the incompressible costs recognised “on top” (such as tax expenses);
- greater efficiency recoveries achieved in the previous regulatory period were left to the distribution companies in the four subsequent years, with gradually declining rates (50% the first year, 37.5% the second, 25% the third and 12.5% the fourth).
- the efficiency gains achieved during the new regulatory period (determined by comparing the baseline operating costs – adjusted, where necessary, to account for the Z-factor and Y-factor adjustments provided in the regulations, which are intended to reflect incremental costs associated with the energy transition or costs arising from unforeseeable or exceptional events – with the actual operating costs for each year). Efficiencies in the new regulatory period are left to the DSO based on the incentive scheme selected (SBP low potential or SAP high potential). The choice of the SBP incentive scheme made by Areti is valid for the entire regulatory period.

Based on the ROSS provisions, ARERA recognises in year *t* the remuneration of invested capital relating to the assets that went into operation in year *t-1* and the related portion of amortisation. It should be noted that the investments made until the year 2023 will continue to be recognised in continuation with the criteria, therefore, the amortisation and depreciation of such assets will continue to be recognised with a lag of two years.

In line with the criteria already established under the basic ROSS framework for the recognition of costs applicable to infrastructure services, the Authority published Resolution 390/2025, which adjusts specific provisions of the basic ROSS regulation, such as the criteria for determining the capitalisation rate and the Z-factor for the years 2026-2027, and adopts provisions for the trialling of regulatory tools, such as business plans and cost assessments, to facilitate the transition of the regulatory framework towards the comprehensive ROSS.

With regard to the adjustment of the criteria for determining the capitalisation rate for the two-year period 2026–2027, the Authority set a cap of 8% for the electricity distribution service and a specific, separate rate of 5% for electricity metering activities.

With regard to the adjustment of the Z-factor mechanism, the Authority established that applications may be submitted retrospectively, with potential approval taking place when the final tariffs are determined. Regarding the possible trialling of the full ROSS scheme in 2026-2027, ARERA granted access to this on a voluntary basis to operators, other than the main electricity distribution company that serve more than 500,000 supply points.

During the trial period, the Regulator allows flexibility regarding the format of the business plan, deferring any standardisation requirements to a later date. Business plans must be accompanied

by a cost assessment analysis carried out by the operator during the planning and implementation of the works for at least 70% of the capital expenditure, to reduce the reporting burden on operators whilst ensuring transparency regarding the majority of the expenditure. Furthermore, each operator will be required to establish formalised and certifiable internal procedures for cost assessments, and the Authority may refer these procedures and/or investment cost estimates to independent third parties for review. DSOs participating in the trial must submit their business plans by 31 October 2025 or, if they wish to take advantage of greater flexibility through an extended time frame, by no later than 31 January 2026.

Compared to the incentive schemes proposed in the consultation for operators covered by the pilot scheme:

- in the 2026-2027 period, the introduction of an incentive mechanism to encourage the accurate reporting of investment expenditure was confirmed, comprising: an incentive of 0.3% of actual expenditure where the deviation of actual expenditure from the estimated baseline is less than 1%, an exemption for deviations between 1% and 5% and a penalty for deviations exceeding 5% of 10% of the absolute difference between actual expenditure and the baseline, deducting 5% of the baseline from this difference; a cap on the applicable penalty of 0.5% of actual expenditure; the possibility of updating the expenditure forecasts for 2027 during the course of 2026 within the variability limits identified ex ante in the business plans;
- the implementation of the mechanism for sharing the total efficiency gains allocated to investments was postponed;
- an incentive scheme was introduced to encourage efficiency in implementation or performance, with participation being optional. This scheme requires the submission of clear and objective efficiency targets – relative to historical costs and/or benchmarks – for the management or construction of infrastructure, which will then be assessed by the Authority, where appropriate, also on the basis of third-party expert reports;
- the definition of the mechanisms for monitoring and reporting on capital expenditure at a later stage was deferred.

With Resolution 513/2024/R/com, also provided for the update of the relevant parameters used to determine the rate of return on capital subject to review for the sub-period 2025-2027, pursuant to the TIWACC (Appendix A of Resolution 614/2021/R/com), and of the beta asset parameter, with reference to the electricity and gas infrastructure services, establishing a rate of return on invested capital of 5.6% for electricity distribution and metering services for 2025.

The flat rate connection contributions of each company and the contributions collected by EU bodies (such as the NRRP contributions) will continue to be deducted directly from the invested capital of the company, considering them as equal to MV/LV assets. However, with Resolution 617/2023/R/eel of 27 December 2023, ARERA changed the incentives for obtaining public contributions. The bonus is equal to 10% (instead of the previous 8.6%) of the public contributions collected during the previous year and is ascertained and determined annually by the Authority by 31 October of each year, from 2025 to 2028. Bonuses are paid in three equal amounts, unless otherwise ordered and justified by the Authority at the time the economic items are determined, for reasons of liquidity or the overall impact on the tariff.

As regards marketing, ARERA confirmed a single reference tariff that reflects both the costs for managing the network service and marketing costs (single all-inclusive company tariff for the distribution and marketing service).

With regard to the transmission tariff, the ARERA confirmed the introduction of a binomial tariff (capacity and consumption) for high



voltage customers, and the cost tariff structure for the transmission service to Terna (CTR), also introducing a binomial price. Given the two tariffs, the equalisation mechanism has been confirmed.

The general equalisation mechanisms for distribution and metering costs and revenue for the regulatory cycle in force are:

- equalisation of the revenues from the distribution and metering service;
- equalisation of the transmission costs;
- equalisation of the value of the difference between effective losses and standard losses.

The purpose of equalising the revenues of the distribution service is to equalise the revenues deriving from the comparison between the revenues billed to users through the compulsory tariff and the distributor's allowed revenues, calculated through the company's tariff of reference. For the distributor companies subject to ROSS criteria, advance payment mechanisms are envisaged in relation to the equalisation of the distribution service revenues and in relation to the equalisation of the transmission costs.

Participation in the advance payment mechanism for the equalisation of the distribution service revenues is optional, according to methods defined by CSEA. With reference to the tariff for year t , advances were set at 90% of the value of the amount of the equalisation balance estimated on the basis of the provisional reference tariff for year t and are disbursed in three instalments starting from the second half of year t . The balance is expected 60 days from the date of publication of the definitive reference tariffs.

With Resolution 616/2023, as already defined in the previous period, ARERA confirmed that the equalisation of the revenues from distribution would be reduced by an amount equal to 50% of the net revenues from the use of the electrical infrastructure for purposes additional to the electric service, recorded at the end of year $n-2$ should the aforementioned net revenue exceed 0.5% of total recognised revenue.

The equalisation of the transmission costs has the objective of passing the distributor in terms of the cost recognised to Terna for the transmission service (CTR) with what was paid by the end customer based on the compulsory transmission tariff (TRAS). Participation in the advance payment mechanism for the costs of the transmission service is mandatory. With reference to the tariff for year t , advances are set at 80% of the value of the equalisation amount defined in relation to the tariff for year $t-1$ and are disbursed in year t in six bimonthly instalments with the balance paid by 31 December of year $t+1$.

With Resolution 575/2025, the Authority updated the tariffs for 2026 for using infrastructure for distribution and metering services, the connection charges for domestic and non-domestic customers, and the charges for reactive power in low and medium voltage networks.

With regard to the calculation of costs recognised for distribution companies (ROSS criteria), the following rates of change were defined:

- operating costs: inflation estimated at 1.7% for 2025 and 1.5% for 2026;
- capital costs: revaluation rate set at 1.7% for 2025;
- WACC: the weighted average cost of invested capital for distribution and metering was confirmed at 5.6% for 2026.

Furthermore, with Resolution 587/2025/R/eel, the Authority updated the unit charge covering the recognised costs of Terna's operations for dispatching purposes with effect from 1 January 2026, set at 0.0652 cents per kWh, and the unit charge relating to the costs of essential plants under the cost recovery regime, set at 0.3041 cents per kWh.

NETWORK LOSSES

With Resolution 117/2022/R/eel, the Authority set out the regulation of electricity losses on transmission and distribution networks for the two-year period 2022-2023, focusing on improving efficiency in commercial losses with targets in the Central region of 1.77% for 2022 and 1.72% for 2023, and extending the mechanism for recognising "irrecoverable" fraudulent withdrawals.

With Resolution 336/2023/R/eel, the Authority launched the process to reform the rules governing electricity settlement and network losses, followed by Consultation Document 377/2023/R/eel, which proposed redefining the methods for determining and procuring "residual" energy and revising the current loss equalisation mechanism with a view to defining regulations which better adhere to the actual performance of individual companies.

The Authority subsequently published Resolutions 584/2023 and 535/2024, extending the previous regulatory framework until 2025.

With specific reference to marginal cases, the reinstatement mechanism was confirmed, providing for the submission of an application for an advance payment in May 2025 covering the three-year period 2022-2024, and the submission of a full application covering the entire four-year period 2022-2025 in May 2026.

The Authority published three Consultation Documents for the reform of the Electricity Settlement and Network Losses, with the relevant resolutions pending:

- Consultation no. 268/2025 "Guidelines on the application of standard loss ratios for grid feed-in, procurement of withdrawals for own use and residual energy, and recognition of third-party connection costs for grid operators";
- Consultation no. 269/2025 "New Integrated Text on the regulation of physical and economic items of the electricity dispatching service";
- Consultation no. 270 "Interventions on the Integrated Text on Electricity Metering (TIME) functional to the reform of the Electricity Settlement".

With Resolution 430/2025, the Authority postponed the entry into force of the provisions in Authority Resolutions 325/2024/R/eel and 40/2025/R/eel, relating to the new rules on electricity settlement and network losses, and extended the current regulations in this regard. Specifically, the Authority took on board the comments received during the consultation phase, postponing the entry into force of the new provisions until 1 January 2027, and consequently considers it appropriate to:

amend the provisions of Resolutions 325/2024/R/eel and 40/2025/R/eel accordingly, requiring the SII Operator to carry out an appropriate testing phase involving dry runs to verify the full reliability of the changes introduced to the SII for the purposes of calculating the ER;

- for the year 2026, confirm the general framework regarding network losses and the related compensation mechanisms provided in the current TIV;
- defer the arrangements for extending the mechanism for recognising "irrecoverable" fraudulent withdrawals to the period after 2025, to a subsequent provision.

CONTINUITY OF THE SERVICE

With the Integrated Text on output-based regulation in force from 1 January 2020, the Authority introduced the possibility for the DSOs to present regulatory experiments to improve the service

quality in particularly critical contexts. A specific feature of these experiments is the suspension of the penalties for the experimental period and their non-retroactive application if the target levels for the indicators of number and duration of interruptions without notice, set by the current regulations, are achieved.

In this context, areti presented its proposal, outlining a process for improving the technical quality indicators different from that defined by the ordinary regulation. This proposal was approved by the Authority with Decision 20/2020 of 20 November 2020. With Resolution 588/2024, the Authority set the penalty for areti at approximately €9.7 million due to its failure to meet the target levels, with the first instalment of €6,424,404.85 paid in January 2025. The payment of subsequent instalments is conditional on the target levels set out in the trial being achieved over the next 4 years.

With effect from 2024, with Resolution 617/2023, the Authority established an incentive mechanism to ensure service continuity, with targets tailored to individual companies' performance, setting target levels based on their historical data and offering prospects for improvement to distributors with the highest national figures for the number and duration of outages. The Authority published determination 2/2024 – DINE, which approved the technical instructions for recording and documenting interruptions to the electricity distribution service for the 2024-2027 regulatory period.

Finally, in Consultation 332/2025, ARERA proposed updating the output-based regulation of electricity distribution and metering services with effect from 1 January 2026, with regard to any new mechanisms to incentivise the performance of distribution networks, the individual regulation of continuity for MV users, the possible update of the definition of periods of disrupted conditions, and other specific aspects for technical and commercial quality mechanisms governed by the Integrated Reference Texts.

With Resolution 575/2025/R/eel, the Authority extended the specific service continuity levels for medium-voltage (MV) users until 2026.

With Resolution 511/2025/R/eel, the Authority defined the bonuses and penalties relating to the restoration of continuity in the electricity distribution service for unannounced outages in 2024.

The following were confirmed for areti SpA:

- a penalty of -€197,952.88 for the D1 indicator;
- a bonus of €200,254.50 for indicator N1;

With Resolution 512/2025/R/eel, the Authority determined the financial items relating to regulatory experiments concerning the continuity of the electricity distribution service for 2024. Specifically, the Authority set the deadline of the end of December for areti SpA to make the payment amounting to €758,045.12.

DEVELOPMENT AND RESILIENCE PLAN

The Authority published Resolution 296/2023 in which it defined the methods and timeframe for drawing up and consulting on distribution network development plans. From 2025, each distribution company with at least 100,000 end customers must submit, by 21 March of each odd-numbered year, the outline of its development plan to the Authority, with a public consultation lasting at least 42 days and the submission of the final post-consultation plan by the subsequent 30 June.

With resolution 617/2023, the Authority adopted the integrated text of the output-based regulations of the electricity distribution service 2024-2027 (TIQD) and the regulations on commercial quality of the distribution and metering services (TIQC 2024), also

establishing the new bonus mechanism for benefits associated with network development measures, which provides for:

- a new bonus-only incentive mechanism, for 2024, at the request of the distributor company, with a limit on the amount of eligible investments equal to 15% of the investment spending expected for 2024 in the development plan for 2023 (measures already included in the resilience bonus mechanism are excluded from this mechanism); the envisaged bonus is equal to two years' expected (gross) benefit, for the 2025-2027 period; for 2025, at the request of the distributor company to be submitted by 30 June 2025, with any limits on expected eligible investment spending yet to be set;
- the final calculations by 31 March of each year starting from 2026 with reference to 31 December of the previous year (in odd years, the reporting is carried out during transmission of the draft development plan preceding the related public consultation) with determination of the bonuses by the Authority by 30 September, possibly in several annual instalments up to a maximum of three instalments;
- extension of the benefit categories eligible for bonuses, with several first-time application provisions, without prejudice to the possibility of further changes in the features of the future incentive mechanism, or methodological changes pending discussions with the distributor companies.

The Authority, following up on consultation 239/2024/R/com concerning the guidelines on minimum requirements for preparing development plans for the transmission, transport and distribution of electricity and for defining hypothetical scenarios for development plans of distribution networks, published resolution 392/2024/R/eel on the Provisions on scenarios for the development plans of energy networks. The most significant changes introduced include: a new deadline for scenario documents; a new activity to collect information from current and potential network users; a process for a very long-term discussion on the evolution of the energy system. On the basis of these premises, the Authority published finalised Guidelines in Resolution 521/2024.

With Resolution 472/2024, the Authority provided updates and additions to the regulation for the application of the second phase of incentives for the development of the electricity distribution network. areti took part in this phase, submitting its action plan by June 2025.

Among other provisions, the benefit categories for the application of cost-benefit analysis were updated. The Authority further intervened, with Resolution no. 112/2025, to define the methods of calculation and valuation of other parameters relating to the benefit categories for the cost-benefit analyses of electricity distribution network development interventions.

With Resolution 237/2025, the Authority initiated a procedure to adopt the proposal on extraordinary multi-year investment plans and the criteria for determining the costs arising from the related adjustment of the duration of existing concessions and the possible inclusion of such adjustment costs in network tariffs; this procedure concluded with the submission of the proposal to MASE, as per Resolution 392/2025, also providing for subsequent action by the Authority following specific focus groups to ensure coordination between the investments resulting from the extraordinary multi-year investment plan and the information to be provided in the 2027 edition of the development plan and in the business plans by the distribution companies required to prepare them.

With Resolution 418/2025, the Authority determined the incentives and penalties following the measures to enhance the resilience



of the electricity distribution service completed in 2024, as well as the financial provisions relating to monitoring the effectiveness of the measures completed in 2019.

In line with estimates, areti received a net bonus of €427,073.23 for the 53 resilience projects, completed in 2024, covering both flooding and heatwaves. No penalties were imposed, however, in relation to the monitoring of works completed in 2019 (which are applicable in the event of interruptions lasting more than 8 hours caused by the same critical risk factor that led to the works that the bonus was awarded for).

“2G DIGITAL METER” PROJECT

The Authority published resolution 724/2022 which updates the 2G Directives for the 2023-2025 three-year period, providing for the extension to four years of the performance monitoring period of 2G smart metering systems, with penalties applicable only from 1 January of the fifth year of the PMS2. The same provision also introduced a bonus mechanism in cases where the cumulative number of 2G meters to replace 1G meters exceeds 105%, to be applied if the acceleration is achieved through the use of public subsidies of any kind.

With Determination 3/2023, the Authority established that the distribution companies serving more than 100,000 withdrawal points would communicate to the Energy Infrastructure Directorate of the Authority, by 31 October of each year, the actual progress data of the commissioning and performance indicators of 2G smart metering systems. With Resolution 9/2025, the Authority set out communication obligations regarding the massive commissioning phase of second-generation (2G) smart metering systems for electricity metering. In Consultation 332/2025, the Authority proposed extending the 2G directives for the three-year period 2026–2028.

With Resolution 575/2025/R/eel, the Authority extended the provisions of the 2G directives for the three-year period 2026–2028, confirming their application for 2026.

TRANSMISSION, DISTRIBUTION AND DISPATCHING OF ELECTRICITY WITHDRAWN FOR SUBSEQUENT FEEDING INTO THE GRID

The Authority published Resolution 109/2021/R/eel - which follows up on Consultation Document 345/2019 - in which it defines the procedures for providing the transmission, distribution and dispatching service in the case of electricity withdrawn for consumption relating to ancillary generation services, and in the case of electricity withdrawn and subsequently fed back into the grid from the storage system. The priority objective of the resolution is to standardise regulations for the transmission, distribution dispatching services for electricity withdrawn for subsequent feeding back into the grid and extend the aforementioned regulation to more complex cases, where the withdrawal of electricity via the same connection point is not only intended for storage systems and/or ancillary generation services, but also additional loads separate to these. The resolution stipulated that as from 1 January 2022 on request of the producer, electricity withdrawn for the subsequent feeding into the grid will be handled as negative electricity fed in for the purposes of accessing transport, distribution and dispatching services.

ARERA published Resolution 560/2021/R/eel with which it postponed to 1 January 2023, rather than 1 January 2022, application

of the rules on transmission, distribution and dispatching services for electrochemical storage pursuant to Resolution 109/2021/R/eel, after presentation of the relative application by the producer or entity requesting connection to the network operator, based on the model established in resolution DMEA 5/2022.

The Authority published resolution 472/22, supplementing the regulation introduced by resolution 109/21 on auxiliary services and storage systems, defining its guidelines on:

- determining penalties in cases in which 110% of the power declared in the certified appraisal for auxiliary services and/or storage systems is exceeded;
- redetermining the duration of the time interval to quantify electricity withdrawn, functional to allowing subsequent issuing to the network using a division ratio;
- defining the procedure to replace metering equipment for hourly registration of electricity metering data.

The Authority published resolution 142/2023/R/eel which updates the TIS and TIME so that vendors, on one hand, and distributing companies and Terna, on the other, can properly value electricity withdrawn from system configurations that access the new regulations introduced with resolution 109/2021/R/eel. To that end, with this resolution the Authority governed methods used to send data about electricity withdrawn to power auxiliary generation services and electricity withdrawn and subsequently re-issued to the network by storage systems and net energy withdrawn.

With resolution 596/2023/R/eel, considering the critical issues detected, in order to complete the procedure for accessing the regulations envisaged by resolution 109/2021/R/eel (with particular reference to the activities associated with GAUDI registration and authorisation of production units (UP) and/or auxiliary service production units (UPSA)), the Authority established:

- the extension by one year (until the end of 2024) of the regulations currently envisaged by Article 16 of the TIT 2020-2023;
- the creation at Terna of a technical panel, convened at least monthly, attended by interested stakeholders, in order to discuss critical operating issues;
- monthly reports sent by Terna to ARERA on the proceedings of the technical panel and the solutions identified, in addition to the update status of the GAUDI system and, at aggregate level, the progress status of cases presented by the operators.

With resolution 585/2024/R/eel the Authority supplemented and amended resolution 109/2021, better defining the procedures for providing the transmission, distribution and dispatching service in the case of electricity withdrawn for consumption relating to ancillary generation services, and in the case of electricity withdrawn and subsequently fed back into the grid from the storage system. Consequently, Resolution 585/2024/R/eel extended the provisions of Article 16 of the TIT 2020–2023 until 31 December 2025.

With Resolution 575/2025/R/eel, the Authority extended the transitional period for an additional year (until 31 December 2026), during which the provisions of Resolution 109/2021/R/eel (according to which electricity withdrawn to supply generation ancillary services, as well as withdrawals from storage systems intended for subsequent injection, are treated as negative injected energy) may coexist with the provisions in the then Article 16 of the TIT 2020-2023 (according to which electricity withdrawn to supply generation ancillary services, as well as withdrawals from storage systems intended for subsequent injection, whilst treated as withdrawn energy, are not subject to transmission and distribution tariffs nor to the components covering general system charges).

COLLECTIVE SELF-CONSUMPTION AND RENEWABLE ENERGY COMMUNITIES

In November 2016, the European Commission presented the “Clean Energy for all Europeans Package” (CEP), with the aim of supporting the climate commitments undertaken by the EU in the Paris Agreement. Among the eight directives adopted between 2018 and 2019, specific mention is made of Directive 2018/2001, which introduces the concept of “Renewable Energy Communities”, and Directive 944/2019, which defines “Citizen Energy Communities”.

Italy began transposing these directives through Article 42-bis of Decree-Law No. 162/2019 (the so-called “Milleproroghe” Decree), converted into Law No. 8/2020, which enabled electricity consumers to form Renewable Energy Communities (CERs), thereby promoting collective self-consumption.

In 2021, Legislative Decree No. 199 increased the maximum capacity of plants within the CERs to 1 MW, whilst also updating the incentive schemes. In the same year, Legislative Decree No. 210 defined the characteristics of Citizens’ Energy Communities, specifying their voluntary nature, their openness to all interested parties, the rights and obligations of members, the possibility of operating in various energy sectors, and their environmental, economic or social objectives, whilst excluding profit-making objectives. Following a consultation period, ARERA approved Resolution 727/2022 in 2022, which introduced the Consolidated Text on Widespread Self-Consumption (TIAD). The TIAD provides a comprehensive and up-to-date framework governing the promotion of widespread self-consumption and the structures of Renewable Energy Communities as set out in Legislative Decrees 199/21 and 210/21. The TIAD came into force on 1 March 2023, the date on which the previous regulations on this matter were repealed.

A key aspect of the legislation refers to the geographical boundaries of communities. The TIAD stipulates that distribution system operators (DSOs) must define the geographical area served by a given primary substation, taking into account the structure and operation of the electricity networks, future network development and the territorial boundaries of licences. The aim is to strike a balance between technical criteria and geographical considerations, to facilitate market access and efficiency. The first maps showing the boundaries of the primary stations were published by February 2023, with updates scheduled every two years from October 2023 onwards.

In November 2023, the European Commission approved the Decree issued by the Ministry of Economic Development (MASE) promoting CERs, which provides for a feed-in tariff for renewable energy that is generated and shared, as well as a non-repayable grant. Funding is available to 5 GW, with a deadline of 2027.

Subsequently, with Resolution 15/2024/R/eel, ARERA amended the TIAD to bring it into line with the new Ministerial Decree, introducing changes such as:

- the determination of the effective date for the contract to access the distributed self-consumption service, as established by the GSE with specific Technical Rules;
- the requirement for manufacturers of multi-section systems to register a single production unit in the GAUDI system for each section;
- the amendment of the rules to also ensure the consistency and applicability of the TIAD to existing arrangements, in accordance with the previous Article 42-bis of Decree-Law 162/2019.

Finally, with Ministerial Decree, the Ministry of the Environment and Energy Security approved the GSE’s Operational Rules, which

set out the procedures and time lines for accessing the available incentives, both in terms of feed-in tariffs and non-repayable grants, including within the NRRP framework. The portal to receive applications has been operational since 8 April 2024.

ELECTRIC MOBILITY

With resolution **541/2020/R/eel**, supplemented by Resolution 160/2021/R/eel, the Authority launched national experimentation destined for LV customers, aimed at facilitating the installation of e-car rechargers in private areas.

Acceptance is voluntary and free and access is subordinated to observance of a number of conditions:

- the customer must be at LV with contractually committed power of not more than 4.5 kW and not less than 2 kW;
- the POD must be fitted with a 1G or 2G remotely-managed meter. In this second case, any multi-hour bands set by the vendor must enable identification of the withdrawals made in night, weekend and holiday bands;
- a recharging device must be electrically connected to the meter; this device must at least be capable of:
 - measuring and recording the active recharging power and transmitting this figure to an external subject (e.g. an aggregator);
 - reducing/increasing or reinstating the maximum recharging power.
- customers must give their consent to checks and controls also in their homes and are required to communicate promptly any change to the system or contract that occurs during the experimentation.

Application of the experiments, initially envisaged as from 1 July 2020 through 31 December 2023, was extended to 31 December 2024 with resolution **634/2023/R/eel**, which represents the first result of consultation 540/2023/R/eel. The resolution provides for three measures deemed urgent on electric mobility: a gradual review of the BTVE (low-voltage electric vehicle) regulations from 2025, the confirmation to continue with trial 541/2020, and to establish technical panels.

In Resolution 22/2025, the Authority updated certain key aspects of the regulations to reconcile the development of electric mobility with the needs of the electricity grid. Regarding the charging of electric vehicles on private property, the duration of the pilot scheme launched by Resolution 541/2020 was extended. Regarding charging at publicly accessible locations, the minimum requirements for qualifying for a dedicated tariff were updated.

With Determination 2/2024, ARERA’s aim was to coordinate the activities linked to the topics of decarbonisation of consumption/ electric mobility and the development of the hydrogen and renewable gas supply chain. In particular, ARERA envisaged that, with regard to the topics of decarbonisation of consumption/electric mobility, the following activities would take place:

- establishment of electric mobility focus groups envisaged by resolution 634/2023/R/eel;
- including through collaboration with research centres external to the Authority, the collection and analysis of useful data for updating and/or integrating the investigations already initiated regarding the evolution of technologies and the markets of significance to the electric mobility sector;
- participation in any technical panels established by other Public Administrations pertaining to electric mobility topics;



- support for the preparation of draft measures envisaged by resolution 634/2023/R/eel;
- preparation of reporting schemes such as those required by the AFIR Regulation;
- presentation of an interim summary report of the activities performed to the Division Director.

With regard to the RomeFlex project (Reshaping Operational Methods to run grid FLEXibility) aimed at enhancing local grid flexibility in certain areas in the city of Rome, with Resolution 121/2024/R/eel, the Authority approved the introduction of the spot market and restructuring of service remuneration between capacity and energy. With the same Resolution, ARERA reaffirmed the *areti* 2024 budget of €5M for services to the BSPs, specifying that: “...the fees paid by *areti* to the GME for transactions carried out on the Local Flexibility Market (LFM) will be included among the costs for the remuneration of flexibility resources paid, pursuant to resolution 372/2023/R/eel, by the Fund for exceptional events, resilience and other special projects set out by Article 10, paragraph 10.1, letter l) of the TIPPI”.

The Authority published Resolution 527/2025/R/eel, whereby it approved the procurement regulations for resources for national and local ancillary services proposed by *areti* SpA for 2026, stipulating that the company:

- publish on its website, the regulations and related annexes subject to approval under this measure;
- may adjust the base auction prices for the forward market selection of resources and for the remuneration of the activation of upward and downward services, as well as, where necessary, increase the required demand and hours of effective availability required of flexibility resources.

The Authority further stipulated that the costs incurred by *areti* SpA for the provision of local ancillary services, limited to the trial phase, shall be borne by the Fund for exceptional events, resilience and other special projects referred to in Article 10, paragraph 10.1, letter l), of the TIPPI, with separate disclosure to the Authority as part of the half-yearly reporting referred to in Article 5 of Resolution 352/2021/R/eel.

WATER REGULATION

With **Resolution 639/2023/R/idr** of 28 December 2023, the Regulatory Authority for Energy, Networks and the Environment (ARERA or Authority) approved the water tariff method for the fourth regulatory period 2024-2029 (so-called MTI-4). In accordance with Article 6 of the Resolution itself, with **Resolution 582/2025/R/idr** of 23 December 2025, the Authority defined the criteria for the **first two-year 2026–2027 update of the SII tariff arrangements**. The measure was adopted as part of the procedure initiated by Resolution 426/2025/R/idr and following Consultation Document (DCO) 471/2025, which set out the Authority’s guidelines on the matter with a view to the recalculation of tariffs from the 2026 financial year onwards. The Regulator therefore decided to refine the current regulatory framework to ensure effective coordination with: i) the quality improvement measures (referred to in Resolutions 579/2025/R/idr and 581/2025/R/idr, as set out below); ii) the rules introduced regarding the standard tender notice template, to ensure compliance with the awarding conditions for public procurement procedures (as set out in Resolution 347/2025, referred to below); iii) the activities required as part of the final NRRP implementation phase.

The most significant issues regulated by the Authority are set out below:

- quantification of the **monetary adjustment parameters** pursuant to Article 7 of Annex A to Resolution 639/2023/R/idr (MTI-4). The following were revised: the projected inflation rate used to calculate the cap on the tariff multiplier and the operator’s pre-tax profit ($r_{pi} = 1.9\%$ instead of the 2.7% forecast for the 2024-2025 period); the inflation rates for updating operating costs ($I_{2025} = 2.0\%$ and $I_{2026} = 1.2\%$) and the values of the gross fixed capital formation deflators ($dff_{2024-2025} = 0.999$ and $dff_{2025-2026} = 1.001$);
- the quantification of the parameters used for the purposes of **updating financial and tax liabilities**:
 - r_f^{real} (real risk-free rate) of 2.13%, as forecast for the electricity, gas and waste sectors vs the figure for the 2024–2025 period of 1.58%;
 - WRP (Water Utility Risk Premium) of 1.8%, down by 20 basis points compared to the 2024-2025 period;
 - K_d^{real} (the benchmark return on fixed assets, including the debt risk premium) of 3%, unchanged from the figure for the 2024-2025 period;
 - ERP (market risk premium) updated to 3.1% (compared to 3.50% for the 2024-2025 period), as a result of the adjustment to the change in the r_f^{real} .

Based on this data, the overall rate of financial and tax charges stands at 6.06%, down from the 2024–2025 period (when it stood at 6.13%);

- with regard to **operating costs**, the following is envisaged:
 - the portion of charges relating to systematic changes of a recurring nature, recognised in previous tariff arrangements in the form of OP^{new} (costs not subject to efficiency adjustments) or included in the RC_{other} adjustment component;
 - postal and banking costs attributable to the payment of the social water allowance to indirect users are eligible for reimbursement;
 - there is a higher ceiling for recognising arrears costs, compared with the provisions of MTI-4, in the case of sole service providers taking over pre-existing municipal in-house services characterised by a significant level of arrears (4.4% for northern regions versus the 2.5% provided for; 5.5% for central Italy vs 3.5% and 9.15% for southern Italy vs the 7.9% in MTI-4);
 - the RC_{EE} component, which accounts for the recovery of the difference between the component covering electricity costs calculated for the year $(\alpha - 2)$ and the actual costs incurred, is defined on the basis of the value $Benchmark_{EE(\alpha-2)}$, which is equal to: (i) €0.2150/kWh for 2026, comprising 70% of variable unit prices and 30% of fixed unit prices; (ii) €0.2210/kWh for 2027, comprising 90% of variable unit prices and 10% of fixed unit prices. For 2028, the rate is set at the same level as in 2027, and for the year 2029, the parameters will be set by a subsequent order.

The measure also sets out procedures for recognising the projected operating costs arising from the construction of non-deferrable plants in areas where the operator has not yet acquired the necessary project finance; it confirms the indicators for promoting innovation in the areas of energy reuse and reducing the quantity of electricity purchased; it postpones the deadline to 31 July (instead of 30 April) for submitting the first update of the tariff proposals, in view of the procedural changes regarding the validation and verification of technical quality data referred to in Resolution 581/2025.

With **Resolution 347/2025/R/idr**, the Authority approved the standard tender document for the awarding of integrated water services, applicable to selection procedures launched on or after 1 January 2026. This measure established a set of common and standard rules at national level designed to promote the coordination of all relevant aspects and facilitate a more effective expression of competitive dynamics. The Authority has therefore defined the scope of application, the documentation required for the tender, conditions for participation, subject matter and value of the contract, requirements for the technical and financial bids, and the award criteria. Furthermore, the scheme's applicability to public-private partnerships is regulated, as are the specific provisions for cases where the minimum information requirements are not met.

With regard to the duration of the concession, the Authority states that this is determined in accordance with the relevant environmental regulations and with EU and national principles (maximum 30 years), and is commensurate to the scale of the planned investments. Finally, it clarified that the option to extend the maturity date of credit facilities is currently permitted as an extraordinary measure solely to ensure the maintenance or restoration of economic and financial stability, and subject to the application of a specific procedure.

With regard to water service quality, following the Resolutions initiating the aforementioned proceedings (Resolution 37/2024/R/idr and Resolution 39/2024/R/idr) to assess the bonuses and penalties to assign to operators regarding the contractual and technical quality for the two-year period 2022 – 2023, with **Resolutions 181/2025/R/idr and 203/2025/R/idr**, the Authority published the **Methodological Notes** illustrating the preliminary investigation procedure followed, on the basis of the provisions of the Technical Quality Regulation (RQTI) and the Contractual Quality Regulation (RQSII), respectively, for applying the incentive mechanism (bonuses and penalties) to operators of the integrated water service. Having analysed the various cases relating to shortcomings, omissions or inconsistencies identified in the preliminary assessments of eligibility for the mechanism, and having highlighted the corresponding regulatory outcomes (total exclusion from the incentive scheme, exclusion from bonuses but not from penalties, application of the assessment to the management scope prior to the management merger, etc.), on 20 June 2025, the Authority published Resolution **225/2025/R/idr** on the “Application of the incentive mechanism for the regulation of the technical quality of the Integrated Water Service (RQTI) for the years 2022–2023. Final results”. The measure awards Acea Group companies with bonuses totalling more than €37 million against just over €1 million in penalties. On 25 June 2025, Resolution **277/2025/R/idr** on “**Application of the incentive mechanism** for regulation of the contractual quality of the Integrated Water Service (RQSII) for 2022-2023. Final results”, which awarded the Acea Group companies a total of €0.9 million in bonuses and €0.7 million in penalties.

As part of proceedings running in parallel with those involving the tariff method, with Resolution **581/2025/R/idr** of 23 December 2025, the Authority adopted the “Measures to complete the regulation of technical quality provided by the Authority’s Resolution 637/2023/R/idr”. The 2023 Resolution updated the regulations governing the Technical Quality of the Integrated Water Service (RQTI), stipulating: i) a cumulative assessment on a two-yearly basis of quality objectives (both technical and contractual) with a cap on bonuses, ii) from 2026, the verification and subsequent certification by a pool of EGA experts of the documentation produced by operators, iii) the inclusion of a new macro-indicator ‘MO – Water Resilience’ with the aim of assessing the capacity of water systems

to counteract the frequent situations of stress to which water resources are subjected. both at the level of the managed territorial area and at a higher level. The measure introduced at the end of December 2025 brought in the following changes:

- extension of the deadline for submitting technical quality data to the relevant EGA until 31 March 2026. The EGA will forward the relevant information to ARERA by 30 June;
- definition of the procedures and time lines for verifying the data produced by operators within the EGA Pool;
- the inclusion of measures to complete the MO macro-indicator – Water resilience – and clarification regarding the application of the other macro-indicators (in particular, restrictions on access to incentive schemes where data collection methods and management practices are not comparable).

With regard to **contractual quality**, Resolution 424/2025/R/idr of 24 September 2025 initiated the procedure for updating the regulations governing the contractual quality of the integrated water service (pursuant to Resolution 655/2015/R/idr), followed by DCO 469/2025/R/IDR. The relevant procedure concludes with Resolution **579/2025/R/idr** of 23 December 2025, entitled “Update of the contractual quality standards for the integrated water service or for each of the individual services comprising it”. The main changes introduced include amendments relating to the following areas:

- **Update to the incentive scheme**
 - a review of the classes and objectives from the 2026–2027 assessment period onwards;
 - starting with the 2024–2025 performance assessments, introduction of a phased approach within the incentive scheme to ensure that management teams achieving the same level of quality are rewarded fairly, even if they start from different categories;
 - from the 2026–2027 performance data onwards, validation extension for contractual quality data by a pool of EGAs.
- **Amendments to the RQSII regulations in line with other regulated sectors**
 - changes to the procedures for handling and responding to complaints, written requests for billing corrections and written requests for information;
 - at the user’s request, providing a copy of the inspection report in the event of an inspection and subsequent replacement of the meter carried out ex officio by the operator;
 - guaranteeing free access to provincial service points throughout opening hours, whilst allowing for appointments to be scheduled to better protect the end user;
 - amendment of the regulations governing telephone services where a live agent is available at the Contact Centre regarding the change to the calculation of the relevant simple indicators and the introduction of new service obligations to protect users;
 - restriction of the circumstances when automatic compensation may not be paid, and the introduction of data recording using the unique identification code already provided in the Consolidated Act on the Measuring of the Integrated Water Service (TIMSII).

With regard to the **social water bonus**, it is worth noting Resolution **355/2025/R/rif** which, whilst approving the provisions for the social waste allowance, also introduced a number of amendments to the measures relating to the water (and energy) bonuses. Specifically, the legal status of the water utility operator was redefined (in line with the Data Protection Authority’s Opinion 279/2020), from a data processor (in relation to the identification of eligible customers



and the subsequent payment of the bonus) to an independent data controller. It also stipulates that *“In all cases where the amount of the discount to be credited to the final bill exceeds the amount charged on the bill, the remaining credit must be paid to the end user via a direct refund where possible, it being understood that under no circumstances may amounts not paid to users be retained by the operators.”*

With Resolution 122/2025/R/idr, the Authority initiated the procedure for the amendment and updating of Resolution 586/2012/R/idr on **transparency of billing documents**. In accordance with what had already been established in Objective OS.1 of the Strategic Framework 2022-2025 – concerning consumer empowerment – the Authority intends to strengthen the information, education and transparency tool in favour of consumers in the light of the important and diversified standards and rules that have arisen since the adoption of the aforementioned resolution. The Authority will therefore identify the items to be reported in the “Detailed Framework” of the bill, from the perspective of the stability and consistency of the applicable regulations, consolidating the link between the regulatory action of transparency of the information to be reported in the billing documents and the criteria on the subject of end-user fees for the service. The consultation document is pending.

ELECTRICAL REGULATION

Biennial limitation

In implementation of the provisions set out in resolution 604/2021/R/com, ARERA, with determination 5/2024-DIME, approved the CSEA handbook, which defines the methods for the implementation of the compensation mechanism of the amounts related to the two-year statute of limitations and the implementation of the measures for the incentive of the reduction of the multi-year adjustments for the electricity sector to be borne by the distributors. Through its circulars, CSEA therefore defined in detail the operating procedures and timing of the mechanism which, in its first implementation, envisaged the submission of the 2024 application (for limitations accepted between 2018 and 2023) by 31 May 2025 and the 2025 application (for limitations accepted in 2024) by 3 June 2025 for the offsetting of the amounts for which the seller has accepted the limitation without the distributor having declared the existence of a cause preventing it from being reached.

Update of RCV and DISPbt components and the PCV fee

With resolution 262/2024/R/eel, ARERA updated the RCV and DISPbt components and the PCV fee from July 2024. The value of the central and southern RCVsm was determined to be a little more than €62/POD/year, which is significantly higher than the €40 put into consultation by DCO 169/2024/R/eel. The PCV fee was determined to be €40/POD/year, in line with the national average RCV value. The value of DISPbt was determined to be just over €1.31/POD/year. This component will be applied to all domestic customers (SMT and ML and no longer only to domestic customers entitled to SMT, as this service will be limited to vulnerable customers from July).

With reference to the mechanism set out in Article 21bis of the TIV (Mechanism for adjusting the operating costs of legally separate suppliers operating under the “protected market” regime, as referred to in Article 21bis of the TIV, for the years 2024 and 2025) introduced by Resolution 538/2024 for 2024 and confirmed by Resolution 279/2025 for 2025, ARERA published the “Decision

of 03 July 2025, 6/2025 – DIME”, to specify the items to be included in the calculation of COR operating costs and the operational instructions for their quantification.

The mechanism is designed to ensure that market operators receive adequate remuneration should they experience imbalances resulting from the mass exodus of non-vulnerable domestic customers from the SMT to the STG.

There will be 2 application rounds, with deadlines on 31 October 2025 and 31 January 2026, respectively.

Once CSEA has verified that the requirements for participation in the mechanism have been met, it determines the compensation amount due, notifying the Authority and each operator accordingly:

- by 30 November 2025, provided that the application was submitted by the first deadline;
- by 28 February 2026, provided that the application was submitted by the second deadline.

Gas vendor list

As required by the Competition Law 2022, ARERA has put its guidelines for consultation (DCO 70/2024/R/gas) in order to prepare, similar to the Electricity Vendors List (EVE), a list of sellers authorised to sell natural gas (EVG).

Following the DCO, which illustrated to the various stakeholders the conditions, criteria, methods and technical, financial and good reputation requirements for the registration, permanence and exclusion of the parties included in the List, ARERA sent its proposal regarding the list to the MASE (Resolution 157/2024/R/gas). The list was approved by Ministerial Decree No. 85 of 19 May 2025, which came into force on 4 July 2025.

The provisions of the Ministerial Decree do not differ from those already established for the EVE and discussed at ARERA. The registration procedures are similar to those for EVE: businesses already listed in the old Ministerial Register are automatically included in the new register on a provisional basis and must certify that they meet the requirements to confirm their registration by 31 December 2025.

Cessation of price protection schemes (Annual Market and Competition Law for 2017. Italian Law no. 124 of 4 August 2017)

The “Annual Market and Competition Law”, Art. 1 paragraph 60 of Law no. 124 of 2017, which entered into force on 29 August 2017, provided for the termination of price protection schemes both in the electricity and gas sectors starting from 1 July 2019.

Following an initial postponement to 1 July 2020 (Law 108, which converted Decree-Law No 91 of 25 July 2018), further amendments were made to the relevant regulatory framework, definitively setting the following dates:

- Small businesses: these were transferred to the Gradual Protection scheme from January 2022 (Decree-Law No. 162/2019); on 23 May 2024, a tender was held for the new service contract, running from 1 July 2024 to 31 March 2027;
- Micro-enterprises: these were placed under the Gradual Protection scheme from April 2023 until 31 March 2027 (Decree-Law No. 152 of 6 November 2021); Acea Energia was awarded Area 11 (which includes the provinces of Avellino, Barletta-Andria, Benevento, Brindisi, Trani, Foggia, Lecce, the municipality of Naples and Salerno); in the absence of an explicit choice, at the end of the service period the customer will be supplied by the same operator on the basis of its most compet-

itive open-market offer;

- Non-vulnerable domestic workers: were placed under the Gradual Protection scheme from 1 July 2024 until 31 March 2027 (Decree-Law No. 152 of 6 November 2021);
- Gas: Decree-Law 176/22 postponed the end of the Gas Protection Scheme, with its abolition scheduled for 10 January 2024; non-vulnerable domestic customers have moved to the open market, having either chosen to stay with the same supplier (but on a different tariff) or switched to other suppliers. The protection scheme is nonetheless available only to vulnerable customers who are eligible for a supply contract governed by the Authority;
- Vulnerable electricity customers: such customers (i.e. those aged over 75; those receiving allowances for physical or financial hardship; those with disabilities as defined in Article 3 of Law 104/92; the utility serves emergency accommodation following natural disasters; the connection is located on a minor interconnected island) will be supplied under the enhanced protection scheme until tenders are launched in accordance with MITE guidelines (Decree-Law No. 181 of 09/12/2023).

The law converting Decree-Law 181/2023 (the Energy Security Decree-Law), as amended by Decree-Law 19/2025, stipulates that ARERA will regulate the vulnerability service, stipulating, inter alia:

- the awarding of the service, for a period not exceeding four years, through competitive procedures covering homogeneous geographical areas;
- the requirement for each provider to carry out activities relating to the vulnerability service separately from all other activities;
- the prohibition on the supplier using: (i) the marketing channel used to promote offers on the market for the vulnerability service; (ii) data and information obtained in the course of providing the vulnerability service, for purposes other than the marketing of that service; (iii) the same brand under which it carries out activities outside the scope of that service to provide the vulnerability service;
- when submitting their application to participate in the competitive tendering process, interested parties may indicate their intention to make use of the business or business unit of the operators providing the enhanced protection service well in advance of the tender procedures; this offer will also be taken into account when determining the most economically advantageous tender.

Ministerial Decree of 17 May 2023 stipulated that, from 1 April 2027, the STG will serve solely as a last-resort service for all small-scale customers, such as small businesses, micro-enterprises and non-vulnerable households.

The Annual Market and Competition Law for 2023 (Law No. 193 of 16 December 2024) also established the right for vulnerable domestic customers to apply for access to the tiered protection scheme intended for non-vulnerable domestic customers no later than 30 June 2025. In its Resolutions 10/2025/R/eel and 48/2025/R/eel, ARERA stipulated the implementing procedures for exercising this right, imposing disclosure obligations on both the ESTG and sellers on the ML and EMT, and specifying that:

- by 1 March 2025 at the latest, the necessary functionalities for the transmission of switching requests for access to the STG must be implemented (e.g. updating the technical specifications relating to the processes affected by 10/2025/R/eel);
- vulnerable domestic customers who are supplied under the STG at the end of the allocation period (31 March 2027) will be transferred to the open market on the same terms as other

non-vulnerable customers supplied there, in accordance with procedures that will be specified in a subsequent provision.

The Bills Law Decree (no. 19/2025), implemented by ARERA Resolution no. 110/2025, subsequently provided that domestic customers already served in the STG who acquire, from the date of entry into force of the Bills Decree, one of the vulnerability requirements, may continue to remain in the STG without having to make any request to that effect until the end of the service assignment period.

The Bills Law Decree was converted into Law no. 60 of 24 April 2025 and stipulated that the vulnerability service will start from a date no earlier than the end of the gradual protection service, i.e. no earlier than 31 March 2027. Vulnerable customers who are supplied in the gradual protection service and who, on the date of termination of that service, have not chosen a supplier fall within the scope of the greater protection service, or, if already in operation, within the scope of the vulnerability service.

Disbursement of the extraordinary contribution in bills

With Resolution 132/2025/R/eel, ARERA implemented the provisions of the Bills Decree Law (Decree Law no. 19 of 2025, converted into Law no. 60 of 24 April 2025) regarding the extraordinary contribution of €200 for 2025 in favour of domestic customers with an ISEE up to €25 thousand.

In particular, the Authority first defined the methods for disbursement of the extraordinary contribution for customers already entitled to the social electricity bonus and then, following discussions with INPS, published Resolution 144/2025/R/eel in which it defined the methods for disbursement of the contribution to customers not entitled to the social electricity bonus but only to the extraordinary contribution.

Interventions to update and make the Code of Commercial Conduct more efficient and Urgent measures for the transparency and comparability of offers in the electricity and gas retail markets

On 2 October 2024, the Authority published Resolution 395/2024/R/com. This resolution, which comes into force on 1 January 2025, provides updates and improvements to the pre-contractual and contractual regulations set out in the Code of Commercial Conduct for the benefit of electricity and natural gas end-users, with specific reference to aligning regulatory provisions with Legislative Decree 26/2023, the obligations of suppliers in the event of changes to contractual terms, the provisions on telemarketing and telesales, as well as the consequent harmonisation of the rules governing changes to the contractual terms of PLACET offers and the vulnerability protection service. The provision requiring customers to accept the durable medium in advance in the event of notifications of unilateral changes, renewals and automatic updates applies only to contracts entered into on or after 1 January 2025. With Resolution no. 156/2025/R/com, the Authority adopted a number of initial urgent measures, of a transitional nature, for the implementation of art. 5, paragraph 1 of Decree Law no. 19/25 (known as the Bills Decree Law) on transparency and comparability of offers in retail markets.

With Resolution 386/2025/R/com, ARERA is fully implementing this provision, updating a series of measures with the aim of providing customers with greater clarity regarding the pricing of offers. In summary, the following is envisaged:



- the rationalisation of domestic gas tariff structures, with the introduction of a single annual charge and a consumption-based charge;
- a different presentation of fees in contracts and summary sheets;
- the obligation to send additional notices following the dispatch of notifications of unilateral changes and renewals;
- the obligation to publish all currently valid offers published on the PO on the seller's website.

Given its significant impact, ARERA envisages a different time line from the one proposed in the DCO (1 January 2026). The following timetable has therefore been set for its entry into force:

- 1 April 2026: entry into force of the provisions for all electricity and natural gas supply contracts, including those currently in force on that date;
- by July 2026: with regard to existing contracts, the measures concerning the rationalisation of charges and information requirements for domestic end-users apply in the event of unilateral changes and renewals involving amendments to the financial terms, taking effect by July 2026;
- 1 January 2027: Sellers are in any event required to bring existing contracts into line with the measures relating to the rationalisation of fees, with effect no later than 1 January 2027, regardless of the scheduled renewal date.

Amendment of the Bill 2.0 regulations

The Authority, with Resolution 315/2024/R/com, approved the regulation of “End Customer Energy Bills”.

The new provisions will apply with effect from the first bill issued on or after 1 July 2025. Given the incompatibility between the timetable for the implementation of the new regulation and the time line for the phasing out of the Standard Tariff Scheme, the new regulation will not apply to the Standard Tariff Scheme.

The new summary bill consists of:

- a “unified title page”, i.e. a mandatory front page with the same structure for all domestic customers
- the “receipt”: showing formation of the overall energy cost (average price multiplied by quantity), divided into consumption, fixed and power;
- the “offer box”: containing the elements enabling the customer to reconstruct the application of the chosen offer in the billing period to which the bill refers;
- “Essential information”, grouped into boxes containing standardised and detailed information, with the headings established by ARERA.

On the other hand, with regard to the “Details” provided for in the current Bill 2.0, the Authority does not envisage any changes to the current regulation. On 11 December 2024, the Authority called a technical round table on the new bill with representatives from the associations representing electricity and gas sales operators. During the meeting, the Authority provided some clarifications on the various parts of the new bill and subsequently published Resolutions 12/2025/R/com and 64/2025/R/co with the intention of both correcting some material errors and better specifying some information.

With Resolution 204/2025/R/com, ARERA also approved the new glossary in line with the changes made to Bills.

With Resolution 223/2025/R/com, the Authority extends the previous “Bill 2.0” regulation (Annex A to Resolution 501/2014) limited to the Greater Protection Service.

Beyond the National Single Price

Art. 13 of Legislative Decree 210/2021 set out the conditions and criteria for a gradual transition to zonal pricing defined based on market trends, without prejudice to the calculation by the GME of a reference price for electricity traded on the wholesale market in line with the NPS (*Prezzo Unico Nazionale* - National Single Price). In February 2024, article 13 of Legislative Decree 210/21 was amended by Decree Law 181/23, converted with amendments into Law 11/24: therein, the legislature mandated the Minister for the Environment and Energy Security to establish, by means of a decree issued by the same, the conditions and criteria for the application, as of 1 January 2025, of zonal pricing on the wholesale electricity market and guidelines for the definition by the Authority of a transitional equalisation mechanism, to compensate for any difference between zonal prices and a reference price calculated by the GME in continuity with the calculation of the NSP.

The Authority published resolution 304/2024/R/eel providing that, as of 1 January 2025, the transitional phase away from the National Single Price would begin, maintaining a reference price (the GME Index NSP) calculated in the same way as the current NSP but with an equalisation mechanism that considers zonal prices.

The phasing out of the equalisation mechanism will take place over a period of time determined by criteria yet to be defined, but in any case not before 31 December 2025.

Transfers involving a change of gas supplier, and updating of the information package for the pre-check service and management of incorrect transfer requests in the electricity and gas sectors

With Resolution 323/2025/R/com, ARERA defined the provisions governing the so-called “switching with account transfer” in the gas sector: customers switching suppliers will be able to sign a new supply contract with a supplier of their choice without necessarily having to firstly submit a request to their existing supplier.

The new switching service will come into effect on 1 July 2026, together with a dedicated information service for contract activation and a procedure for managing incorrect switching transfers to the SII that have already been processed (also applicable to the electricity sector).

From 1 May 2026, the scope of information provided in the event of a positive outcome to a pre-check request will be expanded.

ENVIRONMENTAL REGULATION

With Resolution 443/19 of 31 October 2019, the Regulatory Authority For Energy, Networks and Environment (ARERA) approved the first tariff method for the integrated waste management service for the years 2018-2021. The Waste Tariff Method (WTM) defines the new rules for the TARI fees to be applied to users in 2020-2021, the criteria for the costs recognised in the current two-year period 2018-2019 and the reporting obligations.

As in other sectors subject to regulation, the WTM refers to ex-post data referring to certain accounting sources (financial statements) referring to the previous two years (year y-2 and applied to year y) and no longer to forecast data.

Under the new methodology, ARERA applies an approach characterised by a different treatment:

- capital costs recognised according to a regulation scheme of the rate-of-return type;
- operating costs with the application of incentive regulation schemes and the definition of efficiency targets on a multi-annual basis.

Furthermore, the method calls for tariff limits to revenue growth and the introduction of four different schemes that can be adopted by local authorities and operators with respect to the objectives of improving service. It also regulates the phases of the integrated waste service: street sweeping and washing, collection and transport, treatment and recovery, treatment and disposal of municipal waste, tariff management and user relations.

ARERA initially maintained the algebraic structure of the method established by Italian Presidential Decree 158/1999, providing for the inclusion of additional components to determine fees, as follows:

- limit to the overall growth of tariff revenues, with the introduction of a limit factor for annual variation that also takes into account efficiency gains and productivity recovery;
- asymmetrical configuration characterised by a tariff matrix that in the valuation and calculations of the individual cost components, considers service improvement objectives established at local level and a possible extension to the operational perimeter;
- sharing ratio in relation to revenue from the sale of materials and energy derived from waste;
- introduction of an adjustment component for variable and fixed costs, defined as the difference between the revenues defined by ARERA for the variable and/or fixed cost components for year Y-2 and the tariff revenues recognised for year Y;
- introduction of two different rates of return on net invested capital (WACC) for the service of the integrated waste cycle and a differentiated rate of return for the enhancement of current assets: 6.3% for the years 2020-2021; increase of 1% to cover the costs arising from the time lag between the year of recognition of investments (Y-2) and the year of tariff recognition (Y).

The Integrated Text TITR attached to Resolution 444/2019/R/rif “Provisions on transparency in the management of urban and similar waste” defined the provisions on transparency of the management of urban and similar waste for the regulatory period starting 1 April 2020. The scope of the intervention includes the minimum information to be made available by the integrated cycle manager through websites, the minimum information to be included in collection documents (payment notice or bill) and individual communications to users concerning significant changes in operations.

With resolution **363/2021/R/rif**, the Authority approved the new **Waste Tariff Method MTR-2** for the years 2022-2025. The method also establishes criteria for access tariffs for treatment plants owned by operators not integrated into the upstream activities of the supply chain, which apply solely to the “minimum plants” defined by the relevant entities in the context of area planning. On the other hand, plants not classified as “minimum” (known as “additional”) are subject solely to the regulations on transparency in operating information. According to the adopted method, the managers of the minimum plants must prepare the Economic Financial Plan (EFP) for 2022-2025 in line with the indications found in the aforementioned MTR-2 and, pursuant to article 7 of resolution 363/2021/R/rif, send them to the relevant bodies for

validation; these latter then send them to ARERA for verification of regulatory consistency with the documents and subsequent approval of the tariffs.

Resolution **459/2021/R/rif** subsequently completed the tariff regulatory framework defined for the MTR-2, containing the values of parameters to determine capital use costs (i.e. planned inflation rate and the vector expressing the deflator for gross fixed investments for the MTR-2 period of application), and Resolution 68/2022/R/rif which established a WACC value of 6% for managers providing processing activities in a non-integrated format.

With Determination **01/DRIF/2022** of 22 April 2022, on the other hand, ARERA approved the basic schemes for the documents making up the tariff proposal that managers of “minimum” plants submit to the relevant bodies, consisting of the EGATO or the Region.

In 2022, following the sector scheduling documents published by the relevant bodies, in application of the ARERA regulations pursuant to resolution 363/2021/R/rif, Acea Ambiente and the Group companies involved implemented preparatory activities to comply with regulatory activities for plants classified as “minimum” and, subsequently, sent the documents required under Determination 01/DRIF/2022.

On 24 and 27 February, decisions **486/2023** and **501/2023** were respectively published, and on 6 March 2023, decision **557/2023**, with which the Regional Administrative Court of Lombardy, Milan, First Section, **in part annulled resolution 363/2021/R/rif**. Specifically, the Regional Administrative Court found that ARERA’s identification of “minimum” plants fell outside of the government’s area of responsibility, consequently granting Regions powers not due to them and inverting the proper direction of the scheduling process.

On 7 March 2023, ARERA published resolution **91/2023/C/rif** providing information on its appeal made to the Council of State, requesting precautionary suspension of the decisions of the Regional Administrative Court of Lombardy, in that in the Authority’s opinion, “the referenced decisions [...] are based on an erroneous interpretation of the relevant factual and legal elements”. The Council of State rejected this precautionary suspension request.

While awaiting the Council of State’s decision on the merits, with consultation document **275/2023/R/rif**, in the context of the procedure begun with resolution 62/2023/R/rif, the Authority provided guidance for the 2024-2025 two-year update for the waste tariff method (MTR-2). In particular, the Authority confirmed its desire to not submit to the referenced Lombardy Regional Administrative Court decisions and proposed updates to the main economic parameters, above all the inflation rate.

Upon completion of the aforementioned procedures, in July 2023 ARERA published the following provisions:

- Resolution **385/2023/R/rif** “Basic service contract scheme to govern relations between awarding entities and urban waste management service operators” which follows (most recently) the guidelines presented with the cited DCO 262/2023/R/rif;
- Resolution **386/2023/R/rif** “Establishment of equalisation systems in the urban waste sector” which takes up the proposals formulated in DCO 611/2022/R/rif without confirming the introduction of the equalisation instrument linked to the waste hierarchy for that going to plans (postponed to the next regulatory period);
- Resolution **387/2023/R/rif** “Monitoring and transparency obligations for efficiency in separated waste and urban waste treatment plants”, which introduced initial regulations for quality for



plants, with reference to both technical aspects (in particular management of processing waste) and contractual/commercial aspects (management of complaints and written requests from users, monitoring of service interruptions) with respect to which the Company adopted specific compliance measures in terms of collecting and recording information and making adjustments to contracts and its website; while establishing initial monitoring and reporting obligations, the provision did not introduce service standards correlated to bonus and penalty mechanisms, which had been announced in DCO 214/2023/R/rif;

- Resolution **389/2023/R/rif** “Two year update (2024-2025) of the waste tariff method (MTR-2)” with which, in line with the proposals in DCO 275/2023/R/rif, confirms and updates (with particular reference to economic parameters and internal inflation rates) the general structure for defining plant access tariffs pursuant to resolution 363/2021/R/rif, specifically the update of the tariff for 2024-2025 (based on updated data relative to 2022-2023) by 30 April 2024. With resolution 465/2023/R/rif ARERA subsequently confirmed the provisions inserted in line with Council of State ruling 7196/23, on the deduction of the tariff recognised for integrated management of costs/revenue attributable to precleaning, preselection or preprocessing of plastic packaging coming from separated waste.

During December 2023, the **Council of State Second Section Rulings 10548, 10550, 10734, and 10775**, rejected the ARERA appeal and confirming the reasoning already expressed by the Regional Administrative Court of Lombardy, which found the classification of plants envisaged in the MTR-2 to be illegitimate, in that the material fell under the areas of planning falling to the government.

With resolution **7/2024/R/rif and 72/2024/R/rif**, ARERA took action to comply with these rulings, confirming the tariff adjustment for “minimum” plants starting from 2024-2025 (as updated by resolutions 389/2023/R/rif and 7/2024/R/rif with reference to time references and the new investment remuneration rate – WACC – which rose from 6% to 6.6%). Confirmation of the structure for “minimum” plants now is based on the criteria identified in the meantime in the PNGR (Ministerial Decree 257 of 24 June 2022).

Additionally, with resolution **27/2024/R/rif** ARERA began the procedure to define directives for accounting and administrative separation in the urban waste sector, with the objective of applying the regulations starting in the next regulatory period, in 2026.

Lastly, with Determination no. 2 of 17 April 2024, ARERA approved the basic schemes for the documents making up the tariff proposal for the 2024-2025 two-year period and the operating methods for the related transmission to the Authority. It also provided clarifications on aspects of application of the tariff regulation on access to treatment plants, pursuant to resolutions 363/2021/r/rif, 7/2024/r/rif and 72/2024/r/rif.

In 2025, ARERA published:

- on 28 January 2025, **Resolution 23/2025/R/ref** “Initiation of proceedings for the updating of technical standards in the urban waste sector and of Resolution 15/2022/R/ref”, with completion expected by 31 July 2025;
 - on 18 February 2025, **Resolution 57/2025/R/rif** “Initiation of proceedings for the definition of the Waste Tariff Method for the third regulatory period (MTR-3)”, aimed at defining criteria for recognising efficient operating and investment costs for the integrated waste service, as well as setting access tariffs for treatment facilities (MTR-3), with completion expected by 31 July 2025.
 - on 18 June 2025, Resolution 255/2025/A entitled “Adoption of the regulations governing the conduct of the Authority’s Regulatory Impact Assessment”, thereby concluding the process of reviewing and updating the rules governing the conducting of the Regulatory Impact Assessment (RIA), initiated by Resolution 151/2025/A and DCO 152/2025/A of 1 April 2025. This measure repeals the previous Guide to Regulatory Impact Analysis (GOP 46/08) and introduces new provisions, including a definition of the regulatory cycle and tools for better regulation, as well as a detailed outline of the stages in the regulatory impact assessment (RIA) process.
 - on 29 July 2025, **Resolution 373/2025/R/rif** “Provisions regarding accounting separation (unbundling) obligations for the municipal waste sector”, which concludes the relevant consultation procedure (DCO: **146/2025/R/ref** of 1 April 2025 and **247/2025/R/ref** of 10 June 2025) and stipulates that the provisions of the updated TIUC shall apply from the 2026 financial year, with the exception of Title VIII, which deals with specific annual reporting schemes for the municipal waste sector, in which case monitoring is planned for the two-year period 2026–2027 and entry into force from 1 January 2028. Specifically, as from 2026, the provisions of the TIUC will apply to companies operating in regulated sectors: electricity, gas, integrated water services and municipal waste; and as from 2028, there will also be an obligation to break down costs in the municipal waste sector by tariff category and tariff component.
- On 29 July 2025, **Resolution 374/2025/R/ref** “Completion of technical quality regulation in the urban waste sector (RQTR) and update of **Resolution 15/2022/R/ref**”, which concluded the consultation procedure (DCO: **147/2025/R/rif** of 2 May 2025 and **235/2025/R/rif** of 3 June 2025) and completed the technical quality regulations with the following new provisions which:
- supplement the guidelines and scope of the quality indicators introduced previously, with a view to improving the efficiency of separate waste collection, technological innovation in facilities, environmental sustainability, and materials and energy recovery;
 - shall apply from 1 January 2026; in particular, for Macro-indicator R3, a monitoring phase is planned for 2026–2027, with consultations with stakeholders to determine predefined values – the default option – during 2026, and full entry into force from 1 January 2028;
 - will also influence the setting of tariffs, in accordance with the MTR-3 tariff method.
- On 5 August 2025, **Resolution 397/2025/R/rif** “Approval of the Waste Tariff Method for the third regulatory period (MTR-3)”, closed off the relevant consultation procedure (**DCO: 180/2025/R/ref** of 2 May 2025 and **249/2025/R/rif** of 3 June 2025), confirming the general approach of MTR-2, including the determination of access tariffs for treatment facilities. Specifically, whilst reiterating that “minimum” cycle-closing facilities must be identified in accordance with the criteria the PNGR, it emphasised that these facilities once identified needed to be communicated to ARERA in good time to determine the tariff revenues, fees and access tariffs. ARERA also stipulated that the loss of eligibility had no effect on the coverage of eligible costs for the period during which the eligibility was valid.

During the four-year period covered by MTR-3, small-scale plant operators are required to apply the tariff structure in force in 2025, adjusting it to take into account the tariff factor determined on the basis of the plant's total costs eligible for tariff recognition and assessments relating to the proximity of incoming flows. For each financial year, the maximum limit on the annual change in the tariff factor is set on the basis of the projected inflation rate and a factor that takes into account the plant's technological and environmental characteristics.

- highlights of the main changes are: the publication of inflation rates for 2025 and 2026, standing at 2% and 1.2% respectively;
- for the years 2025 and 2027, the possibility of recovering the adjustment (in year n+2) attributable to the differences between the operating costs initially recognised (assuming a zero inflation rate) and those that could be recalculated taking into account the updated inflation rate;
- the inclusion, amongst recognised costs, of an adjustment component designed to account for any discrepancy between the revenue relating to the quantities forecast in the planning process and revenue effectively generated on the basis of the quantities delivered in the same financial years;
- the restriction on cases where an interim review may be carried out, excluding cases involving updates to the accounting basis, adjustments to forecast cost components, and updates to the values of macro-indicators (R1 and R2) or tariff coefficients (sharing, benchmark, and specified).

On 9 September 2025, **Resolution 407/2025/R/rif** "Initiation of proceedings to calculate the macro-indicator R3 on the technical and environmental efficiency of management provided by **Resolution 374/2025/R/rif**", which aims to complete the regulation of technical quality in the urban waste sector (RQTR), initiated by **Resolution 387/2023/rif**, in which ARERA confirmed the gradual and asymmetric approach consistently adopted, in accordance with a regulatory logic focusing on the results achieved during the reference period (output-based). Specifically, it expanded the set of indicators introduced, confirming the introduction of the R3 macro-indicator (Article 7-septies of the RQTR) from 1 January 2028, which, thanks to its holistic view of the system, enables a joint assessment of the contributions made at each stage of the supply chain to the overall result achieved through management.

This Resolution initiates the procedure, with the aim of involving the relevant institutions and stakeholders, whilst fully respecting the distinctions between roles and responsibilities, including by organising specific focus groups aimed at carrying out the necessary technical analyses regarding the consolidation of the methodology for calculating the macro-indicator – including with regard to the possible integration of additional elements designed, amongst other things, to capture the specific characteristics of management and ensure data comparability – and the determination of default options. The proceedings are expected to be completed by 31 July 2026.

On 21 October 2025, **Resolution 451/2025/E/com** "Approval of on-site inspections, in collaboration with the CC ARERA Unit, regarding obligations to provide personal data", approved the conducting of on-site inspections for entities failing to comply with personal data reporting obligations, with the assistance of the Carabinieri through the CC ARERA Unit, established by Decree of 9 June 2025 to provide support to ARERA.

On 20 November 2025, **Resolution 450/2025/A** "Provisions on the contribution for the operation of ARERA (Regulatory Authority for Energy, Networks and the Environment), due for the year 2025, from entities operating in the sectors under its jurisdiction",

sets the deadline of 15 December 2025 for the payment of the contribution and 31 January 2026 for the relevant notification. For entities operating in Italy in the waste sector or in one or more of its constituent activities, 0.30 per thousand of the revenue for the year 2024, as shown in the latest approved financial statements, or, for operators providing the service directly, revenue as derived from the PEF. The activities of the integrated waste management service subject to the payment of the fee are listed below: a) street sweeping and washing; b) collection and transport of municipal waste; c) management of charges and relations with users; d) treatment and recovery of municipal waste; e) treatment and disposal of municipal waste; f) cross-border shipments.

On 4 November 2025, **Resolution 480/2025/R/rif** "Revaluation of the parameters underlying the calculation of capital usage costs in the implementation of **Resolution 397/2025/R/rif**, approving the Waste Tariff Method (MTR-3)" approved the values for the parameters underlying the calculation of capital usage costs for the MTR-3 tariff method:

- targeted inflation rate (rp1) of 1.9%;
- gross fixed capital formation deflator, with a base of 1 in 2025 equal to 0.999 and a base of 1 in 2026 equal to 1.001;
- WACC, the rate of return on invested capital for treatment activities, is 6.1%, and the real rate of return on fixed assets under construction (LIC) ranges from 4.7% (WACCRIID = rate of return on net invested capital and a debt-to-equity ratio of 4) to 1.39% (K_d^{real} = benchmark return on fixed assets including the debt risk premium);
- WACC, the rate of return on invested capital for integrated operators, is at 5.9%, whereas the real rate of return on assets under construction (LIC) ranges from 4.5% (WACCRIID) to 1.39% (K_d^{real}).

On 7 November 2025, **Decision 1/DTAC/2025** "Approval of the standard templates for the documents constituting the tariff proposal for the period 2026–2029 and the operational procedures for their submission to ARERA, pursuant to **Resolution 397/2025/R/rif**, as well as the approval of the standard templates for the economic and financial plan for the awarding of the contract and additional operational details" approved the standard templates for the documents comprising the tariff proposal and the operational procedures for its submission, for the integrated urban waste management service for the period 2026–2029.

On 11 November 2025, **Resolution 489/2025/C** "Appeal against the judgments of the Lombardy Regional Administrative Court, First Section, 6 October 2025, nos. 3109, 3110 and 3111; 7 October 2025, Nos. 3147 and 3148; 20 October 2025, Nos. 3320, 3335, 3336, 3337, 3339 and 3341; 30 October 2025, Nos. 3485, 3486, 3487 and 3489", filed an appeal against a series of judgments by the Lombardy Regional Administrative Court, First Section (6 October 2025, Nos. 3109, 3110, 3111; 7 October 2025, Nos. 3147 and 3148; 20 October 2025, Nos. 3320, 3335, 3336, 3337, 3339 and 3341; 30 October 2025, Nos. 3485, 3486, 3487, 3489) concerning ARERA's failure to respond to the 2024–2025 tariff determinations, following their submission by the competent local authority (ETC). The appellants considered that ARERA was obliged to conclude the proceedings within 30 days, given that the Regional Administrative Court had declared the objection to the ETC's decision as inadmissible, holding that only ARERA's decision could be challenged, subject to the possibility of taking action, in the event of prolonged inaction, by appealing against "silence constituting a failure to act". ARERA argued that, insofar as the ETC's decisions fall within its remit (e.g. verifying compliance with eco-



conomic and financial balance), it must be possible to challenge them without waiting for its approval; otherwise, there would be a significant problem with applying the multi-level governance framework established in the sector. Whilst acknowledging the contentious nature of the matter – given that the objections are directed at the ETC – the Regional Administrative Court nonetheless held the ETC’s decisions cannot be challenged as they are procedural in nature.

The Orvieto Waste Treatment Facility is classified as a ‘small-scale’ plant in terms of the volumes of municipal waste and associated treatment residues generated in Umbria, as defined by ARERA. However, the waste streams delivered to the composting plant and special waste delivered to landfill are not subject to tariff regulation (except for the waste produced in the province of Terni), as they operate according to market principles, with economic terms determined by negotiation between the parties.

By Resolutions No. 13 and 14 of 18 July 2025, AURI (the Umbrian Waste and Water Authority), as the competent local authority, determined the access tariffs for the facilities at the Orvieto Waste Treatment Complex, following the first application of the MTR2 tariff method, replacing those previously approved in 2021. The approved rates for 2025 are as follows:

- Municipal Solid Waste (“MSW”) - 2025 rate of €200.24/t (compared with €187.66/t in 2024);
- Organic Fraction (“OF”) - 2025 rate: €164.19/t (compared with €153.88/t in 2024);
- Organic fraction of municipal solid waste (“OFMSW”) ? 2025 rate: €91.53/t (compared with €85.79/t in 2024);
- Biodegradable waste from grass clippings and prunings (“VERDE”) - 2025 rate: €2.29/t (compared with €2.14/t in 2024);
- Dry fraction, biostabilised waste, composting waste and RD waste (sub-category 4) - 2025 rate: €125.86/t (compared to €117.96/t in 2024).

The tariff adjustments reflect the implementation of MTR-2, which introduces updated criteria for recognising efficient operating costs, investments and environmental charges, in accordance with the principles of transparency, economic sustainability and consumer protection, as defined by the national ARERA regulations.

Standards in the reference markets at a local, national and supra-national level

The regulatory context of the Acea Group is wide-ranging and articulated according to the specificity of the businesses managed and the variety of the frameworks within which the legal and regulatory disciplines intervene, which affect the business operations. With regard to domestic legislation in the water sector, it is noted that the 2026 Budget Law, which, in paragraph 479, refers to the duration of the concession for the integrated water service in the optimal territorial area (OTA2 – Central Lazio and Rome – by stipulating that it may be recalculated in proportion to the volume of investments carried by the concessionaire, which are necessary to complete the aforementioned works and were not authorised at the time of the concession’s grant. Furthermore, reference is made to the Ministerial Decree of 16 September 2025 (published in the Official Gazette on 22 October 2025), which adopted the implementation section of the National Plan for Infrastructure and Safety Measures in the Water Sector (PNISSSI) and set out a programme aimed at mitigating drought damage and strengthening climate resilience, with priority given to the completion of works already in progress. Specifically, the plan provides funding for 75

projects totalling €957 million, aimed at tackling the water crisis and reducing water wastage.

With regard to the promotion of renewable energy, the following should be noted: Legislative Decree RED III, which transposes EU Directive 2023/2413 on the promotion of energy from renewable sources and, amongst other things, raises the European Union’s binding target for renewable energy, taking steps to accelerate the installation of new plants through the designation of “acceleration zones” and introducing new binding sector targets for industry and transport, whilst also improving the sustainability of bioenergy; the Infrastructure Decree-Law No. 73 of 21 May 2025 (converted by Conversion Law No. 105 of 18 July 2025), which introduces significantly simplifies administrative procedures for the “acceleration zones” for renewable energy plants; the Legislative Decree amending the Consolidated Law on Renewable Energy of 11 December 2025, which introduces corrective and supplementary provisions to Legislative Decree No. 190 of 25 November 2024, governing the administrative regimes for the production of energy from renewable sources.

On the issue of the environment, of note is the WEEE Legislative Decree, which introduces amendments to the legislation on waste electrical and electronic equipment, particularly with regard to photovoltaic panels.

Finally, with regard to electricity, it is worth noting the Electricity Market Legislative Decree, which implements EU Directive 2024/1711 on improving the functioning of the EU electricity market; amongst other things, addressing the end customer’s right to enter into dynamic pricing contracts.

At European level, a key development in the field of water policy was the provisional agreement reached on 25 September 2025 by the Council and the Parliament, which updated the list of pollutants for surface water and groundwater, introducing stricter limits for PFAS and Directive 2025/2360 (Soil Monitoring Law), serving as a legislative framework dedicated exclusively to soil protection, monitoring and resilience.

Climate change

Sensitivity to the evolution of climate change and its effects on the businesses managed is a well-established theme at international level, which is also reflected in a greater demand for information in the annual financial report. Specifically, ESMA, in its European Common Enforcement Priorities, highlighted that issuers should consider climate risks in the preparation of IFRS financial statements to the extent that they are significant regardless of whether or not these risks are explicitly provided for in the relevant accounting standards.

The Acea Group describes its considerations regarding actions attributable to mitigating the effects of climate change as well as adaptation to climate change in the sustainability section of the non-financial statement, according to the content of the Corporate Sustainability Reporting Directive (CSRD).

Acea has developed an integrated climate strategy that primarily centres on supporting climate change adaptation and mitigation targets by investing significantly to increase infrastructure resilience and security, to increase energy production from renewable sources, to improve energy efficiency, and to reduce greenhouse gas emissions. These targets are formalised in the 2024-2028 Group Sustainability Plan, which sets aside approximately €5.4 billion for projects related to environmental sustainability targets. The sustainability strategy and action plan also incorporate the results of climate risk analyses conducted using the framework

provided by the International Sustainability Board (ISSB) and the Group's Enterprise Risk Management (ERM) method. This analysis aims to identify the physical risks, linked to extreme weather events and climate change over the long term, that may impact infrastructure and the company's operations, and transition risks, linked to changes to the legislative framework, evolving consumer preferences, and the adoption of new low-carbon technologies.

When defining and implementing its strategy, Acea engages constantly with stakeholders, institutions and local communities, promoting awareness-raising and training activities to create a culture of sustainability, collaborating with research institutions to develop innovative solutions, and participating on national and international round tables to help draw up effective environmental policies. Thanks to this integrated strategy, Acea has positioned itself as a key player in the ecological transition, showing a concrete commitment to climate action and to the promotion of a sustainable development model.

The main strategic elements adopted by Acea to pursue climate change risk mitigation include:

- increase in energy production from renewable sources, with a particular focus on solar, hydroelectric and wind power. In this context, Acea has implemented projects to develop new photovoltaic plants and to modernise existing hydroelectric plants, increasing their efficiency and production capacity. Furthermore, projects focused on biogas and biomethane production are being developed, aimed at optimising organic waste and treatment sludge.
- improving energy efficiency at the Group's plants and offices to improve the energy performance of its facilities, reduce resource use, and cut emissions. The most important initiatives include the adoption of smart technologies to manage water and electricity networks, the optimisation of industrial processes, and the use of energy storage systems to balance energy demand and supply;
- increase in the percentage of energy purchased with Guarantees of Origin and the production of renewable energy for self-consumption;
- increase in the quantity of green electricity sold to end customers and offsetting the methane gas volumes sold through the voluntary purchase of certified carbon credits.

Parallel to this, the Group is continuing its commitment to reduce greenhouse gas emissions with a "Well below 2°C" target, in line with the trajectory set by the Paris Agreement. This commitment, validated by the Science Based Targets initiative (SBTi), sets out reduction targets for 2032 in relation to the base year 2020: a 56% reduction in the intensity of direct Scope 1 emissions, a 32% reduction in indirect Scope 2 emissions deriving from purchased energy, and a 30% reduction in indirect Scope 3 emissions (indirect emissions deriving from gas sales). Furthermore, Acea is aiming to reduce Scope 1 and Scope 3 emissions related to the production and sale of electricity by 56%.

The following is a summary of the considerations made by management with reference to the aspects considered significant for the purposes of preparing the financial statements in the sectors of activity in which it operates. For the short term horizon, considering the analyses carried out and the mitigation tools defined by the above-mentioned plans, the management has not identified any specific impacts of significant magnitude deriving from climate-related risks subject to consideration in the application of the accounting standards or requiring special disclosure. This is supported by the Group's constant commitment to pursuing the

highest standards of service in all of its sectors of activity. This entails an ongoing commitment to the development of adequate infrastructures and the evolution of their management, with the application of technological innovation and digitalisation, as well as the preservation and protection of water resources, the development of electricity generation capacity from renewable sources, the energy efficiency of production processes, the pursuit of a circular economy approach, and the implementation of controls on commodities supplied to customers. With reference to the medium/long term, the management, while continuing to define updated development plans, does not foresee any further specific considerations to be taken into account in the application of the accounting standards for the preparation of the financial statements and the relative disclosures.

It should also be noted that the Group's main companies began the process to identify priority physical risks in 2020-2021, analysing them through climate scenarios that consider the regions in which the assets exist, with medium to long term projections, and considering the economic impacts resulting from the increased probability of extreme events. The main physical risks identified are drought and water stress (for water systems), extreme rainfall and flooding (for power distribution networks), and lightning strikes (for power generation assets). For example, the fully consolidated company *oreti* assesses and quantifies the effects of climate change (heat waves/drought and flooding) on its assets and the mitigation projects to implement in the Resilience Plan approved by the Regulatory Authority For Energy, Networks and Environment (ARERA). Management has assessed that these investments do not reduce or modify the expectation of the economic benefits associated with the use of the assets recorded under tangible fixed assets, as they have regulatory relevance and are therefore subject to specific reimbursement mechanisms. Therefore, a critical review of the useful life of fixed assets on the balance sheet was not necessary.

With specific reference to the sale of commodities, the Group monitors the useful life of the customer base and the related accounting assessments as a potential effect of reputational risk.

With reference to the existence of risks of asset impairment, management has considered that, although actions to mitigate/adapt to climate risk entail the need to plan for the maintenance/upgrading of plants in order to guarantee the quality of service, the safety of managed assets and the maintenance of their performance, these activities are in any case considered within the scope of the cash flow forecast used as the basis for determining value in use. More specifically, impacts were identified in terms of sensitivity analysis carried out on CGUs, companies and systems by developing the risk analysis, considering the main external variables indirectly impacted by climate change issues (such as the production price index, energy price index and gas price index), potentially able to impact the relevant economic variables (EBITDA). Trends in raw material purchase costs along with hedging derivatives require a careful policy of monitoring requirements and price hedging. Trends in the cost of commodities as a result of the effects of climate change could make certain sales contracts costly. In addition, the unavailability of commodities could make cash flow hedges from highly probable future transactions ineffective. Finally, with particular reference to regulated sectors, the presence of chronic physical risks could lead to a reduction in service quality resulting in liabilities for penalties. Specifically, extreme events such as floods can cause asset damage and service disruptions (equipment failures, blackouts, etc.) or, for the water network, overflowing of drains connected to wastewater systems and can cause turbidity of water springs. Such impacts may affect the provision of services in compliance with applicable



laws and regulations, resulting in the risk of financial penalties. As indicated previously, also thanks to risk mitigation projects implemented, the potential economic/financial impacts associated with physical risks have been hypothesised as unchanged.

Geopolitical Situation

The start of 2025 continued the trend of increasing economic and geopolitical fragmentation that had characterised previous years, requiring businesses to constantly monitor global developments and carefully manage risks.

The global economic landscape is still being shaped by geopolitical and macroeconomic factors. Despite no decisive developments, the conflict between Russia and Ukraine continues to affect global supply chains, whereas Ukraine's domestic difficulties and the sporadic signs of diplomatic rapprochement are perpetuating uncertainty in the markets. In the meantime, the conflict between Israel and Hamas, escalating in 2024 to a worsening humanitarian crisis and the more direct involvement by Hezbollah, continues to represent a critical factor for regional stability in 2025.

Despite this scenario, the global economy has continued on its path towards normalisation following the shocks of recent years, with many imbalances gradually being resolved:

- Energy markets: the stabilisation that began in 2024 is starting to consolidate in 2025. Brent prices remain around \$80 per barrel, reflecting moderate demand (particularly from China), with supply remaining plentiful and continuing to offset geopolitical tensions. In Italy, the national standard electricity price remains below the peaks seen in previous years, even though it is still higher than the pre-crisis levels of 2019.
- Macroeconomic outlook: the International Monetary Fund forecasts subdued global growth for 2025, with varying trends across different regions: the United States maintains strong momentum, driven by domestic consumption; Europe is showing a moderate recovery; China continues to face a slowdown caused by challenges in the property sector and weak domestic demand.
- Inflation: Eurozone inflation generally remains under control, although there are some signs of a rise linked to energy prices. Core inflation is showing greater stability (with energy prices rising by 1.8% year-on-year in January 2025 and core inflation at around 2.7%). Central banks remain focused on striking a balance between price stability and supporting growth, gradually adjusting monetary policy in this regard.

In this scenario, the geopolitical and macroeconomic context continues to represent a critical variable for businesses, impacting both on asset valuations and budgeting strategies. The Public Statement issued by ESMA on 28 October 2022 remains current, where it had analysed the effects of the Russian invasion of Ukraine on financial reports, continuing to provide a key reference for the impairment testing of non-financial assets.

The shift in corporate, commercial and financial strategies that have become necessary in relation to ongoing geopolitical tensions increase the risk of significantly impacting asset and liability book values. ESMA recommends that regulated firms consistently review and update the assumptions underlying their projected cash flows, ensuring coherency between business strategies, market conditions and macroeconomic expectations. Accordingly, ESMA's European Common Enforcement Priorities for 2025 are particularly relevant, as they draw issuers' attention to the need to reflect in their financial statements the impact of geopolitical and macroeconomic risks on key accounting estimates. ESMA recommends providing specific and consistent disclosures

on the impact of these factors on the impairment of non-financial assets, projected cash flows and discount rates, ensuring consistency between business strategies, the assumptions underlying valuation models, and quantitative and qualitative information in the financial statements.

Estimates for the recoverable amount on non-financial assets must be based on all available internal and external information and reflect the high degree of general uncertainty. It is therefore advisable to adopt forecasting models based on multiple scenarios, underpinned by reasonable and realistic parameters, which adequately reflect market risks, inflation and geopolitical tensions.

A key element in impairment testing is to correctly determine the discount rate, which must reflect market conditions as well as risks specific to the assets being valued, avoiding the duplication of any risks already incorporated into the forecast flows. The rise in interest rates and inflation experienced in recent years may have a significant impact on the discount rate and, consequently, on assets' recoverable amounts. This makes it imperative to ensure that the macroeconomic scenarios adopted and financial assessments are fully consistent, so that financial reporting is transparent, reliable and representative of the effective exposure to risks.

Development and technological innovation

In an increasingly complex context, where Acea operates across the water, energy and environmental sectors, technological innovation is a key enabler for consolidating business growth, optimising operations, enhancing service quality and accelerating the digital and ecological transition.

Based on its business strategy, Acea has made the integration of cutting-edge technologies a key pillar of its strategy, with the aim of redesigning an end-to-end operational model that is more integrated, intelligent and resilient, and capable of supporting the Group's long-term growth.

The impact of technology goes beyond improving the efficiency of assets and processes: it fosters new skills, promotes leaner and more responsive organisational models, and enables more immediate, transparent and personalised interaction with customers, institutions and stakeholders. Acea launched a number of initiatives during the year, adopting innovative technologies, particularly in the fields of artificial intelligence, robotics, IoT sensors and machine learning.

Artificial intelligence is now being applied in a variety of areas: from predictive maintenance to automated workforce scheduling, right through to conversational solutions for customer support, with the aim of combining operational efficiency with high-quality customer relations. In the electricity sector, Acea introduced areti's ADMS platform ("Dante"), which integrates simulation models and artificial intelligence algorithms to monitor the grid in real time, detect anomalies and support rapid decision-making, helping to make infrastructure more efficient, reliable and safe. At the same time, Acea introduced solutions such as Smart Asset Inventory, which automates and speeds up the recording of inventory for equipment in primary and secondary substations through data collection and AI analysis, thereby improving asset management accuracy and reliability.

Robotics is used in operations, with the aim of providing greater protection to people, increasing the efficiency of operations and elevating work quality. The main applications include the inspection and monitoring of infrastructure, operational asset management and site activities. In the water sector, Acea developed the "Robotics for Water" programme, which introduces robotic solutions

to inspect, monitor and carry out maintenance on infrastructure, thereby reducing staff exposure to hazardous environments, with benefits in terms of safety, sustainability and operational efficiency. In the electricity sector, Acea also uses TEDDI, an autonomous quadruped robot deployed for preventive monitoring in primary substations: this solution increases the frequency and quality of inspections, reduces exposure in hazardous environments and enables predictive analytics based on the structured collection of field data. In July 2025, through a.Quantum, Acea entered into a three-year agreement with the Italian Institute of Technology (IIT) to establish the “Robotic Joint Lab”, a joint laboratory dedicated to the design and development of advanced robotic solutions for the construction, management and maintenance of water, energy and environmental infrastructure, with activities based in Genoa and Rome and field trials at the Group’s facilities.

Finally, the potential of IoT sensors and machine learning are used to implement solutions such as: network districting, computer vision for asset inventory, optimisation of energy consumption, digital twins for plant design and management, and real-time demand-optimised flow telecontrol.

To keep pace with technological developments, Acea is in constant contact with the innovation ecosystem. Acea as co-founder, continues to participate in ROAD (Rome Advanced District) – a Roman hub that tests solutions for the energy and ecological transition using a “living lab” approach. Acea is also a member of the Rome Technopole Foundation, promoting training, research and technology transfers in Lazio, and has joined CrossConnect to support infrastructure-focused start-ups.

Sustainable management of the supply chain

Aware of the positive contribution that sustainable supply chain management can offer to protecting the environment, Acea is committed to defining purchasing methods that include intrinsic characteristics of the products and aspects of the process that limit environmental impact and foster initiatives aimed at minimising waste, reusing resources and protecting the social aspects involved in the procurement of goods, services and works. In tackling this green procurement issue, Acea has been using the minimum environmental criteria in force for several years, including non-compulsory bonus aspects in its tender procedures.

More specifically, in tenders based on the Most Economically Advantageous Tender (MEAT) principle, Acea has included the EcoVadis assessment in its award criteria; this is an international tool that measures the environmental, social and ethical sustainability of suppliers. A positive EcoVadis rating results in additional points during the tender process, encouraging suppliers to improve their sustainability performance and promoting the selection of more responsible partners.

From 2025, Acea has subscribed to EcoVadis’ Carbon module, a digital platform designed to collect, manage and monitor data relating to CO₂ emissions and the environmental impact of the supply chain. The Carbon module is used to collect the environmental information provided by suppliers in a structured manner, focusing specifically on direct emissions (Scope 1) and indirect emissions from energy consumption (Scope 2) generated by the suppliers’ activities. This tool facilitates the assessment of environmental performance and identification of areas for improvement, enabling Acea to further integrate sustainability criteria into its procurement processes, promoting a supply chain that is increasingly transparent

and environmentally responsible.

Acea promotes sustainable and responsible supply chain management, fostering transparent relationships and the creation of shared value. The selection and monitoring of suppliers are based on structured criteria, which include:

- EcoVadis assessment
- Green purchases
- Reputational due diligence
- Management Systems – Supply Chain Verifications
- Vendor ratings
- Sustainability and safety
- Cyber risk assessment.

During 2025, three pilot risk assessments were also carried out on IT contracts, involving the classification of suppliers according to risk categories (e.g. financial stability, workplace health and safety, ESG, cyber security, and ethical-reputational factors), the use of specific monitoring tools (financial statement scores, audits, questionnaires, spend analyses, vendor ratings, and cyber assessments), and the weighting assigned to various KPIs thus enabling a quantitative and comparable assessment. Customer companies were directly involved in defining and implementing the mitigation measures, ensuring operational oversight and joint management of the identified risks. These activities have made it possible to identify areas requiring attention, strengthen control measures and implement targeted mitigation actions, where necessary.

Health and safety in the workplace

Acea continuously promotes initiatives aimed at safeguarding health and safety in the workplace, with the aim of fostering a robust and shared culture of prevention, involving the entire workforce. In this regard, the company has adopted an advanced risk assessment model, supplemented by structured control and mitigation measures. Acea also actively promotes health and well-being initiatives, with the aim of balancing health, well-being and quality in a person’s working life. With dedicated programmes and targeted initiatives, the company fosters a working environment that prioritises the physical and mental well-being of its staff, recognising this as an essential component for sustainable performance and a truly integrated safety culture.

As part of the company’s ongoing improvement programme, aimed at preventing and reducing accidents, Acea provides all staff with effective tools to encourage their active involvement in analysing safety indicators. This involvement is a significant indicator of the maturity level of the culture of safety and continuous improvement within the organisation.

At the same time, Acea is extending its awareness-raising activities to contractors and subcontractors, recognising their strategic role in carrying out activities across the value chain. Safety is regarded as a cornerstone of the company’s strategy rather than a mere compliance requirement, and is based on a management approach focusing on measuring and monitoring results. Acea regards safety as an integral part of its operational quality: excelling in the quality of processes and activities naturally leads to higher safety standards. From this perspective, operational quality and safety do not run parallel to one another, but reinforce each other, helping to build a more efficient, reliable organisation that is committed to protecting its people.

Improvement measures (such as reducing the incidence of specific types of accidents) and consolidation measures (such as maintain-



ing positive results and adopting new organisational standards) form the cornerstones of our ongoing commitment to improving health and safety in the workplace.

Finally, Acea closely and proactively monitors the market and the world of innovation, with the aim of combining its existing expertise with the latest technological standards and opportunities offered by artificial intelligence. This approach enables the company to further strengthen its prevention systems, improve decision-making processes and consolidate an increasingly advanced and sustainable safety management model.

NATIONAL RECOVERY AND RESILIENCE PLAN (NRRP) GRANTS

As already highlighted, the Acea Group has been called on to play a key role in Italy's growth within the context of the definition and implementation of the National Recovery and Resilience Plan (NRRP), namely the package of investments and reforms drawn up by the Italian Government and adopted by the European Commission and the Council of the European Union to benefit from the financial support provided by the Recovery and Resilience Facility (RRF), a temporary recovery and resilience instrument at the heart of the 2021-2026 NextGenerationEU Programme.

To date, Italy is the country that has received the largest allocation for the NRRP, with €194.4 billion in European funds (of which €71.8 billion in grants and €122.6 billion in soft loans), which was made available to implement 66 reforms and 150 investment projects. 39% of the funds must be allocated to measures aimed at the ecological transition, and 25.6% to the digital transformation.

In 2022, Italy agreed with the EU to incorporate the REPowerEU plan into the NRRP to tackle the energy crisis, introducing a dedicated chapter (Mission 7) to accelerate the transition to renewable energy sources and reduce energy dependency on Russia, through new reforms (e.g. simplifying the authorisation process for renewable energy projects) and targeted investments.

Specific targets and milestones were set for each NRRP investment and reform, which must be met for the funds to be disbursed. The fulfilment of this condition is verified on a six-monthly basis, from the second half of 2021 to 30 June 2026. The status of Italy's National Recovery and Resilience Plan presents a mixed picture. In December 2025, the European Commission released the eighth

instalment of €12.8 billion, with 32 milestones and targets having been met. Generally, however, the NRRP is experiencing significant delays in actual spending, which at 44% at the end of October 2025, is below the European average, particularly with regard to certain measures such as green technologies.

To address these delays in effective spending less than a year before the end of the implementation period, Italy's National Recovery and Resilience Plan (NRRP) has been revised six times, including a final revision adopted by the Council of the European Union on 27 November 2025 in Brussels. To extend the time frame for the actual disbursement of funds beyond the end of August 2026, new financial instruments were introduced which require that, by the end of the NRRP, only the transfer of funds to a financial manager can be finalised (i.e. Invitalia, CDP, etc.), with the formulation of the investment policy and signing of grant agreements with the final beneficiaries. The use of these financial instruments also covers €1 billion in investments in water supply infrastructure, which will be provided by Invitalia for projects selected in the scope of the PNI-ISSI.

In the last three years, the Acea Group received significant grants in the context of the NRRP, aimed at supporting the investments and strategic initiatives set out in the Plan itself. In this context, Acea Group companies have benefited from a total of €0.89 billion in NRRP funding, of which:

- €0.70 billion of which €0.55 billion for water infrastructure (M2-C4-I4.1 and M2-C4-I4.2) and €0.15 billion for drainage and treatment systems (M2-C4-I4.4);
- €0.174 billion for electricity network resilience (M2-C2-I2.1) and smart grid (M2-C2-I2.2) projects.

The disbursement of NRRP grants is subject to the fulfilment of specific conditions established by the competent authorities, such as:

- the achievement of the targets of the funded project;
- the regular reporting of expenditure.

To date, the Acea Group has met all applicable conditions and continues to closely monitor changes to the regulatory and administrative landscape regarding the implementation of the NRRP, in order to guarantee the correct management and reporting of the funds received.

Operating Segments

The macrosectors in which Acea works are broken down into the industrial segments listed below: Water, Networks & Public Lighting, Environment, Production, Energy management, and Engineering & Infrastructure Projects. For further information, please refer to the section of this document relating to the “Organisational Model” of Acea.



WATER

Integrated Water Service in Italy
Gas distribution
Development of initiatives outside of Italy



NETWORKS & PUBLIC LIGHTING

Distribution and **Measure**
Public Lighting



ENVIRONMENT

Sludge management
Treatment, recycling, waste-to-energy and **waste** disposal
Management of **recyclable plastics**



PRODUCTION

Electricity **generation**
Cogeneration
Photovoltaic



ENERGY MANAGEMENT

Energy management
E-mobility
Sale of electric energy and gas on protected market



ENGINEERING & INFRASTRUCTURE PROJECTS

Laboratory analysis
Engineering & Consultancy



“Pro forma” 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 revenue includes the condensed result of equity investments (of a non-financial nature) consolidated using the equity method. The Water Segment also includes the financial statements of companies in the gas distribution segment. It should also be noted that: i) the Environment segment also includes the results of ASM Terni, previously included in the Water segment; ii) the Water segment includes the results of Iseco, previously included in the Environment segment; and iii) after the partial demerger of Acea Energia into a.cities, relating to the activities of the former Acea Innovation, the Networks & Public Lighting segment includes the e-mobility, energy efficiency and circular economy businesses, with effect from 1 September 2025.

As detailed in the section “Commentary on the economic-financial results”, to avoid a representation that does not fully represent the Group’s operating performance, the economic results for 2025 and 2024 are presented collectively, by distinguishing between continuing operations and discontinued operations, with the latter reported according to IFRS 5 classification, measurement and presentation criteria. Therefore, the “Total Pro Forma” column represents only the results of continuing operations, i.e. the business areas not subject to sale. Economic relations between the Group and Acea Energia and Umbria Energy, where falling within the locked-box scope of the Eni Plenitude offer, are therefore represented as though with third parties. Furthermore, in the comparison, the Acquedotto del Fiora result in the “Water” segment is shown through consolidated using the equity method.

€million	31/12/2025									
	Water	Water (Overseas)	Networks & Public Lighting	Environment	Production	Energy Management	Engineering & Infrastructure Projects	Corporate	Consolidation adjustments	Total Pro forma
Revenues	1,506	93	782	370	110	375	162	162	(535)	3,025
Costs	686	58	334	283	58	340	154	227	(535)	1,605
EBITDA	820	35	449	87	52	34	9	(65)	0	1,420
Depreciation/amortisation and impairment losses	472	18	176	92	31	(3)	6	36	0	827
Operating profit/(loss)	348	17	272	(5)	21	38	3	(101)	0	593
Financial operations	54	1	61	20	7	(6)	2	(330)	326	136
Income/(Expenses) from equity investments	24	(0)	(111)	(0)	(5)	0	0	2	(1)	(92)
Profit/(Loss) before tax	270	16	322	(25)	19	44	1	226	(325)	549
Income tax	89	6	71	(5)	5	12	1	(18)	(0)	161
Gains or losses from continuing operations	181	9	251	(20)	14	32	1	245	(325)	388
Profit/(Loss) from discontinued operations	0	0	0	0	0	127	0	0	(0)	127
	31/12/2024									
Revenues	1,425	89	719	362	92	486	133	148	(539)	2,915
Costs	657	54	283	281	53	473	122	201	(539)	1,586
EBITDA	768	35	435	81	39	13	11	(53)	0	1,329
Depreciation/amortisation and impairment losses	409	16	168	80	24	4	13	38	(0)	753
Operating profit/(loss)	359	19	267	1	14	9	(2)	(91)	0	576
Financial operations	43	1	68	21	8	7	2	(296)	284	136
Income/(Expenses) from equity investments	(0)	0	0	2	3	0	0	1	0	6
Profit/(Loss) before tax	317	19	199	(22)	4	2	(4)	204	(284)	434
Income tax	92	8	62	(5)	(0)	(2)	(1)	(14)	(0)	139
Gains or losses from continuing operations	225	11	137	(16)	4	4	(3)	218	(284)	295
Profit/(Loss) from discontinued operations	0	0	0	0	0	72	0	0	0	72

WATER

OPERATING FIGURES, EQUITY AND FINANCIAL RESULTS

Operating data

	U.M.	2025	2024	Change	% Change
Water volumes	Mm ³	492.8	492.5	0.4	0.1%
Energy consumed	GWh	738.1	717.1	21.0	2.9%
Sludge disposed of	kt	130.2	152.8	(22.7)	(14.8%)
NSP	€/MWh	116.1	108.4	7.7	7.1%

Economic and financial results

€million	2025	2024	Change	% Change
Revenues	1,505.7	1,425.2	80.5	5.7%
Costs	686.0	657.4	28.7	4.4%
EBITDA	819.7	767.8	51.9	6.8%
Operating profit/(loss)	348.1	358.8	(10.7)	(3.0%)
Average workforce	3,292	3,206	86	2.7%
Capex	890.8	850.7	40.1	4.7%

Economic and financial results

€million	2025	2024	Change	% Change
EBITDA – Water Segment	819.7	767.8	51.9	6.8%
EBITDA – Group	1,420.0	1,328.9	91.1	6.9%
Percentage	57.7%	57.8%	(0.1 pp)	

EBITDA for the Segment stood at €819.7 million at 31 December 2025, an increase of €51.9 million compared to 31 December 2024 (+6.8%). The increase is related to the effect of the following factors: i) positive effect of the bonuses related to the application of the incentive for the Technical and Contractual Quality of the Integrated Water Service for the years 2022-2023 (Resolution 277/2025), which saw the Group receive a total bonus of €24.9 million; ii) higher margins from tariff growth related to non-pass-through items (+€49.1 million), linked to the Capex and OpexEnd components; iii) positive effect linked to operating efficiencies on lower disposal and maintenance costs, achieved in 2025 compared to the previous year, in the amount of €8.2 million. This increase is offset by the negative impact of tariff-related items amounting to €35.0 million.

The contribution to EBITDA made by the water companies measured using the equity method, equal to €33.3 million, was up by €19.7 million compared to the previous year. The increase was partly driven by the equity consolidation of Rivieracqua (+€1.4 million in total) and by the increase in Acquedotto del Fiora (+€3.4 million) following its equity consolidation starting from October 2024, and partly by the write-down of unrealised projects of DropMI and Aqua lot (+€5.5 million) recognised during 2024. The remaining change stems from the better results achieved by Publiacqua (+€7.5 million), mainly related to lower depreciation and amortisation recorded in the previous year, and Umbra Acque (+€1.9 million), mainly as a result of the recognition of revenues related to the above-mentioned bonus.



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

€million	2025	2024	Change	% Change
Publiacqua	11.3	3.7	7.5	201.1%
Acque group	4.9	8.4	(3.5)	(41.5%)
Umbra Acque	6.9	5.0	1.9	39.2%
Acquedotto del Fiora	4.3	0.9	3.4	380.9%
Umbria Distribuzione Gas	2.0	(0.4)	2.4	573.8%
Nuove Acque e Intesa Aretina	1.6	0.9	0.7	51.0%
Rivieracqua	1.4	0.0	1.4	n.s.
Geal	1.2	0.8	0.5	58.4%
DropMI e Aqua lot	(0.1)	(5.6)	5.5	(98.6%)
Agile Academy	(0.1)	0.0	(0.1)	n.s.
Aretusacque	(0.1)	0.0	(0.1)	n.s.
Total	33.3	13.6	19.7	144.4%

The quantification of the revenues deriving from management of the integrated water service is the consequence of application of the new water tariff method for the fourth regulatory period (MTI-4), as approved by the Authority (ARERA) with Resolution 639/2023/R/idr of December 2023, taking into account the approval of the 2024-2029 tariff provisions which occurred in the meantime.

The average workforce at 31 December 2025 stood at 3,292, which is an increase of 86 compared to 31 December 2024.

Investments by the Segment amounted to €890.8 million, an increase of €40.1 million compared to the previous year, predominantly linked to the scope of co-financed NRRP major works. Other 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).

Revenue from the Integrated Water Service

The table below indicates for each Company in the Water Segment the amount of revenue in 2025 valued on the basis of the MTI-4 Tariff Method. The figures also include adjustments of pass-through items and the FoNI component.

Company	Revenue from the IWS	FoNI	% of direct participation
Acea Ato 2	850.5	FNI = 25.6 AMMFoNI = 35.4	96.5%
Acea Ato 5	88.7	AMMFoNI = 3.2	98.5%
GORI	242.7	-	37.1%
Acque*	81.9	-	45.0%
Publiacqua*	109.2	FNI = 16.4 AMMFoNI = 13.3	40.0%
Gesesa	16.4	-	57.9%
Nuove Acque*	9.7	FNI = 0.1 AMMFoNI = 1.3	16.2%
Geal*	0.8	AMMFoNI = 0.1	48.0%
Acea Molise	3.1	-	100.0%
SII	50.2	-	43.0%
Umbra Acque*	42.3	FNI = 1.5 AMMFoNI = 3.1	40.0%

* pro-rata values

WATER (OVERSEAS)

OPERATING FIGURES, EQUITY AND FINANCIAL RESULTS

Operating data

	U.M.	2025	2024	Change	% Change
Water volumes	Mm ³	47.3	46.2	1.0	2.3%
Volumes fed into the grid	Mm ³	43.4	43.5	(0.1)	(0.2%)
Number of customers (user accounts served)	No.	127,161	126,291	870	0.7%

Economic and financial results

€million	2025	2024	Change	% Change
Revenues	93.1	88.8	4.3	4.8%
Costs	58.3	53.6	4.7	8.7%
EBITDA	34.8	35.2	(0.4)	(1.1%)
Operating profit/(loss)	17.3	19.4	(2.2)	(11.1%)
Average workforce	1,438	1,498	(60)	(4.0%)
Capex	9.9	8.5	1.4	16.5%

Economic and financial results

€million	2025	2024	Change	% Change
EBITDA Water (Overseas)	34.8	35.2	(0.4)	(1.1%)
EBITDA – Group	1,420.0	1,328.9	91.1	6.9%
Percentage	2.5%	2.6%	(0.2 pp)	

The Segment currently includes the water companies that manage the water service in Latin America. It closed 2025 with an EBITDA of €34.8 million, broadly in line with the figure at 31 December 2024 (-€0.4 million) due to the offsetting of the lower contribution from Consorcio Lima Norte (-€1.7 million) following the expiry of the three-year contract for the maintenance of the water and sewerage network in the northern area of Lima, and the drop recorded by Acea Peru (-€1.7 million) due to lower activity; this change was partly offset by the higher margin at Acea Peru (+€3.0 million) linked to new contracts.

The average workforce at 31 December 2025 was 1,438, slightly down by 60 compared to 31 December 2024. This change was influenced by the maturity of the three-year contract for maintenance of the water and sewerage network in the north of Lima, managed by **Consorcio Acea Lima Norte** (-483 employees) and by the maturity of the three-year contract for the management of the drinking water pumping stations in Lima operated by **Consorcio Acea** (-99 employees) and decreases recorded by **Consorcio Acea** and **Consorcio Agua Azul** (-130 employees). This decrease is partly offset by the increase at **Acea Perú** (+619 employees) following participation in the tender for the award of corrective O&M activities on the water and sewerage network in south Lima.

Capital expenditure for the period amounted to €9.9 million, up slightly from the previous year (+€1.4 million), and related almost entirely to investments made by **Aguas de San Pedro** in connection with the management of the integrated water service in the city of San Pedro Sula, Honduras.



NETWORKS & PUBLIC LIGHTING

OPERATING FIGURES, EQUITY AND FINANCIAL RESULTS

Operating data

	U.M.	2025	2024	Change	% Change
Electricity distributed	GWh	9,338	9,240	97	1.1%
No. of customers	no./1,000	1,685	1,669	16	1.0%
Km of grid (MV/LV)	km	32,645	32,404	250	0.8%
2G Metering Groups	No.	209,464	446,351	(236,887)	(53.1%)
Active charging stations	No.	568	532	36	6.8%

Economic and financial results

€million	2025	2024	Change	% Change
Revenues	782.2	718.8	63.4	8.8%
Costs	333.7	283.3	50.3	17.8%
EBITDA	448.5	435.4	13.1	3.0%
Operating profit/(loss)	272.4	267.1	5.2	2.0%
Average workforce	1,252	1,247	6	0.4%
Capex	384.7	316.5	68.2	21.5%

Economic and financial results

€million	2025	2024	Change	% Change
EBITDA Networks & Public Lighting Segment	448.5	435.4	13.1	3.0%
EBITDA – Group	1,420.0	1,328.9	91.1	6.9%
Percentage	31.6%	32.8%	(1.2 pp)	

The EBITDA for the Segment at 31 December 2025 was €448.5 million, showing an increase of €13.1 million compared to 31 December 2024. The change is attributable to i) organic tariff growth (+€31.2 million); ii) the release of capital grants (+€10.3 million); iii) and improvement in the margin relating to Public Lighting (+€3.0 million). This change was offset by the reduction in the WACC (5.6% vs 6.0), which impacted negatively for approximately €15.0 million, and the effects from the sale of the high-voltage line to Terna (-€13.9 million), largely from the regulatory credit accounting portion returned to Terna.

As at 31 December 2025, **areti** had distributed 9,338 GWh of electricity to end customers, up slightly compared to the previous year.

The average number of employees fell slightly compared to the previous year by six units.

Investments amounted to €384.7 million, an increase of €68.2 million compared to last year. The investments referred for the most part to areti and were mainly attributable to the digitalisation of secondary substations and upgrading on the MV and LV networks. Ongoing projects include the replacement of 2G metering groups, work on the primary stations, secondary substations and meters, and remote control equipment as part of the grid “Adequacy and Safety” and “Innovation and Digitalisation” projects.

ENVIRONMENT

OPERATING FIGURES, EQUITY AND FINANCIAL RESULTS

Operating data

	U.M.	2025	2024	Change	% Change
WTE conferment	kt	378.0	358.4	19.6	5.5%
MBT waste and landfill	kt	518.5	445.0	73.5	16.5%
Conferments to composting plants	kt	160.9	159.0	1.9	1.2%
Conferments to selection plants	kt	330.3	336.9	(6.7)	(2.0%)
Intermediated waste	kt	125.1	154.0	(28.9)	(18.8%)
Liquids treated at plants	kt	90.4	227.0	(136.6)	(60.2%)
WTE net electricity sold	GWh	267.3	253.7	13.6	5.4%

Economic and financial results

€million	2025	2024	Change	% Change
Revenues	369.9	361.8	8.2	2.3%
Costs	282.7	280.9	1.8	0.7%
EBITDA	87.2	80.9	6.4	7.9%
Operating profit/(loss)	(5.1)	0.7	(5.8)	n.s.
Average workforce	1,148	1,158	(11)	(0.9%)
Capex	116.5	108.5	8.0	7.4%

EBITDA

€million	2025	2024	Change	% Change
EBITDA – Environment Segment	87.2	80.9	6.4	7.9%
EBITDA – Group	1,420.0	1,328.9	91.1	6.9%
Percentage	6.1%	6.1%	0.1 pp	

The Environment Segment closed 2025 with an EBITDA of €87.2 million, up by €6.4 million compared to the previous year (+7.9%). It was impacted by the improvement in the WTE margin (+€7.3 million), partly offset by the contraction in the Recycling margin (-€3.1 million), mainly due to the lower volumes supplied to sorting plants (-7,000 tonnes). The change was partly due to once-off effects (+€2.8 million), largely relating to the collapse of the Cirsu tank in 2024 (+€9.6 million) and the shutdown of the San Vittore WTE plant (-€5.6 million) in 2025 for work on the fourth line and revamping works.

The average number of employees as at 31 December 2025 was 1,148, slightly lower than at 31 December 2024.

Investments in the Segment amounted to €116.5 million, increasing by €8.0 million compared to 31 December 2024, primarily due to higher investments made in 2025 i) at the San Vittore plant for work on Line IV and for revamping works (+€22.0 million); ii) at the Orvieto plant for maintenance of the EE Biogas engine and refining plant (+€3.0 million); iii) relating to the revamping of the Serplast plant (+€2.0 million); iv) for the extension of tank IV at the Ecologica Sangro plant. These fluctuations were offset by lower investment in the Terni plant (-€20.0 million) in relation to the flue gas line.



PRODUCTION

OPERATING FIGURES, EQUITY AND FINANCIAL RESULTS

Operating data

	U.M.	2025	2024	Change	% Change
Energy produced	GWh	508.9	466.8	42.1	9.0%
of which hydro	GWh	341.9	300.6	41.4	13.8%
of which thermal	GWh	167.0	166.2	0.8	0.5%
Energy produced (photovoltaic)	GWh	247.7	174.5	73.2	41.9%

Economic and financial results

€million	2025	2024	Change	% Change
Revenues	109.8	92.1	17.7	19.2%
Costs	58.1	53.4	4.7	8.8%
EBITDA	51.7	38.7	13.0	33.6%
Operating profit/(loss)	21.0	14.3	6.7	46.6%
Average workforce	93	89	4	4.4%
Capex	32.6	25.0	7.6	30.2%

Economic and financial results

€million	2025	2024	Change	% Change
EBITDA Production Segment	51.7	38.7	13.0	33.6%
EBITDA – Group	1,420.0	1,328.9	91.1	6.9%
Percentage	3.6%	2.9%	0.7 pp	

EBITDA at 31 December 2025 amounted to €51.7 million, up €13.0 million compared to 31 December 2024, mainly attributable to **Acea Produzione** as a result of higher margins on hydroelectric production (+€9.3 million) affected both by the price effect for €3.6 million (+€7/MWh) and higher quantities of volumes produced for €5.7 million (+ 41 GWh). The photovoltaic sector also made a positive contribution (+€5.2 million) from the higher volumes processed, partly as a result of new plants coming on stream, whereas the thermoelectric sector recorded a drop in margins of €1.9 million.

The average workforce was in line with the previous year; note that the photovoltaic companies do not have employees.

Capital expenditure amounted to €32.6 million and increased by €7.6 million compared to the previous year, mainly due to the development and construction undertaken in the photovoltaic segment.

ENERGY MANAGEMENT

OPERATING FIGURES, EQUITY AND FINANCIAL RESULTS

Operating data

	U.M.	2025	2024	Change	% Change
Customer base	No.	174,633	334,609	159,976	(47.8%)
EE sold protected	GWh	329	615	(286)	(46.5%)

Economic and financial results

€million	2025	2024	Change	% Change
Revenues	374.7	485.6	(110.9)	(22.8%)
Costs	340.3	472.9	(132.6)	(28.0%)
EBITDA	34.5	12.8	21.7	169.7%
Operating profit/(loss)	37.9	8.6	29.3	n.s.
Average workforce	21	24	(3)	(12.5%)
Capex	67.6	67.5	0.1	n.s.

Economic and financial results

€million	2025	2024	Change	% Change
EBITDA - Energy Management	34.5	12.8	21.7	169.7%
EBITDA - Group	1,420.0	1,328.9	91.1	6.9%
Percentage	2.4%	1.0%	1.5 pp	

This Segment, responsible for the management and development of activities relating to Energy Management and energy sales on the regulated market, closed 2025 with an EBITDA of €34.5 million, up by €21.7 million on the previous financial year. The change on a like-for-like basis (+€6.8 million) was impacted by: i) the improvement in the Energy Management margin (+€16.1 million), mainly from changes in the treatment of revenues from import capacity refunds and ii) operational efficiencies (+€1.6 million). This increase was partly offset by the reduced margins in the Protected Market (-€5.7 million) due to the “natural” loss of customers to the Open Market (- 48%) not offset by the application of higher tariffs, and by lower VAS margins (-€4.0 million), namely sales, installation and customer support for smart services-related activities and services. The remaining increase (+€14.9 million) came from the recognition of extraordinary income, primarily resulting from the completion of the analysis during 2025, which had been carried out on certain customer exposures relating to items that had been overdue for more than 10 years, following the expiry of the prescription periods.

With reference to the workforce, the average number at 31 December 2025 stood at 21 employees, slightly down compared to 31 December 2024 by 3 employees.

Investments in this Segment amounted to €67.6 million, in line with the figure as at 31 December 2024. They relate almost exclusively to investments made by Acea Energia and Umbria Energy prior to their reclassification as discontinued operations. These investments mainly refer to i) the cost of acquiring new customers in accordance with IFRS 15 (€26.6 million); ii) the best estimate of the future costs of the “exclusive” acquisition of the list of customers managed to date in partnership with another operator (€36.0 million); and iii) improvements to the billing, credit and decision-making systems related to developments and improvement projects linked to integrations between systems of the CRM platform.



ENGINEERING & INFRASTRUCTURE PROJECTS

OPERATING FIGURES, EQUITY AND FINANCIAL RESULTS

Operating data

	U.M.	2025	2024	Change	% Change
Number of projects	No.	40	69	(20)	(42.8%)
Number of EPC work sites	No.	51	33	18	54.5%
Number safety inspections	No.	16,954	15,066	1,888	12.5%
Number determinations	No.	1,022	1,085	(63)	(5.9%)
Number samples	No.	35,130	35,200	(70)	(0.2%)

Economic and financial results

€million	2025	2024	Change	% Change
Revenues	162.3	133.0	29.3	22.0%
Costs	153.6	121.9	31.6	26.0%
EBITDA	8.7	11.0	(2.4)	(21.3%)
Operating profit/(loss)	3.1	(1.8)	4.9	n.s.
Average workforce	499	470	29	6.1%
Capex	3.3	5.2	(1.9)	(36.5%)

Economic and financial results

€million	2025	2024	Change	% Change
EBITDA Engineering & Infrastructure Projects Segment	8.7	11.0	(2.4)	(21.3%)
EBITDA – Group	1,420.0	1,328.9	91.1	6.9%
Percentage	0.6%	0.8%	(0.2 pp)	

EBITDA for the Segment at 31 December 2025 came to €8.7 million, down by €2.4 million with respect to the previous year. The change was mainly attributable to the decline in the profit margin on the Versalis contract due to higher construction costs.

The average number of employees at 31 December 2025 stood at 499 and was up slightly compared to 31 December 2024 (470 employees).

Capital expenditure stood at €3.3 million, down by €1.9 million compared to the previous financial year, mainly due to lower investments in SIMAM's facilities.

CORPORATE

OPERATING FIGURES, EQUITY AND FINANCIAL RESULTS

Economic and financial results

€million	2025	2024	Change	% Change
Revenues	162.2	148.3	13.8	9.3%
Costs	227.3	201.3	26.0	12.9%
EBITDA	(65.1)	(52.9)	(12.2)	23.0%
Operating profit/(loss)	(101.4)	(90.8)	(10.6)	11.7%
Average workforce	817	795	22	2.8%
Capex	25.9	20.4	5.5	26.9%

Economic and financial results

€million	2025	2024	Change	% Change
EBITDA – Corporate Segment	(65.1)	(52.9)	(12.2)	23.0%
EBITDA – Group	1,420.0	1,328.9	91.1	6.9%
Percentage	(4.6%)	(4.0%)	(0.6 pp)	

Corporate closed at 31 December 2025 with a negative EBITDA of €65.1 million, down by €12.2 million compared to the previous year.

This change was attributable to a general increase in external (+€7.9 million) and personnel costs (+€18.1 million). The change in external costs was mainly due to higher costs for IT, supplies and works. The change in personnel costs was generally attributable to an increased staff component, which was only partially offset by the gain recognised in the comparative period from the write-off of the accrued liability for tariff concessions (-€9.4 million). At the same time, there was an increase in revenue of €13.8 million, due partly to higher IT service volumes as well as other service activities, particularly vehicle management, facility management and security services.

The average workforce at 31 December 2025 stood at 817, an increase of 22 compared to 2024 (795 units).

Investments amounted to €25.9 million (€20.4 million at 31 December 2024), up compared to the previous year and mainly referred to software licenses, IT development and investments in company offices.



Significant events during the period and afterwards

ACEA: SIGNING OF THE SUSTAINABILITY AGREEMENT WITH GSE

On 14 January 2025, Acea and Gestore dei Servizi Energetici - GSE SpA signed an agreement aimed at promoting sustainability in the sectors in which Acea and the Group companies operate through energy efficiency and renewable energy projects.

ACEA: ONE OF THE TOP EMPLOYERS ITALIA 2025

On 16 January 2025, Acea announced that it had been awarded the Top Employers Italia award for the fourth year in a row. The award is a recognition of the Group's commitment to, and continuous improvement in, the development of recruitment, training, professional development, work environment, welfare, equity, inclusion and diversity policies.

ACEA: START OF PRODUCTION OF TWO PHOTOVOLTAIC SYSTEMS IN THE PROVINCE OF VITERBO

On 30 January 2025, Acea announced that production has begun on two plants in the Province of Viterbo, with a potential installed capacity of around 12 MW, the first in the Municipality of Nepi and the second in the Municipality of Bomarzo.

ACEA: GREEN & BLUE FINANCING FRAMEWORK

On 13 February 2025, Acea published its first "Green & Blue Financing Framework", confirming the Group's commitment to using sustainable financial instruments to implement investments in its areas of operation, starting with the integrated water service.

ACEA: ITALY - UAE BUSINESS FORUM

On 24 February 2025, during the "Italy - UAE Business Forum" event to support and strengthen the economic and industrial ties between Italy and the United Arab Emirates, Acea signed a Memorandum of Understanding with Metito Utilities aimed at exploring partnership opportunities in the water sector at an international level, focusing in particular on Africa and the Middle East.

ACEA: YVES RANNOU RESIGNS AS DIRECTOR

On 7 March 2025, Acea announced that it had received the resignation of Director Yves Rannou, appointed pursuant to art. 15.4 of the Articles of Association on the proposal presented by the Shareholder Suez International at the Meeting of 12 April 2024.

ACEA: WORKS TO MODERNISE AND UPGRADE THE LIGHTING SYSTEM

On 4 April 2025, areti, an Acea Group company that manages the electricity grid in the capital city on behalf of the Municipality, launched a series of works to modernise and upgrade the lighting system in the city of Rome.

ACEA: APPROVAL OF THE FINANCIAL STATEMENTS AT 31.12.24

On 28 April 2025, the Ordinary Shareholders' Meeting of Acea SpA approved the Financial Statements as of 31 December 2024, resolved on the allocation of the 2024 net profit, appointed the Board of Statutory Auditors for the three-year period 2025-2026-2027 and appointed Ferruccio Resta as Director.

ACEA: EXISTENCE OF REQUIREMENTS OF INDEPENDENCE

On 5 May 2025, the Board of Directors of Acea SpA verified that the director Ferruccio Resta met the requirements of independence provided for by law and by the Corporate Governance Code.

ACEA: AWARD OF THE ROME WASTE-TO-ENERGY PLANT CONTRACT

On 7 May 2025, the consortium led by Acea Ambiente including Suez Italy, Kanadevia Inova, Vianini Lavori and RMB was definitively awarded the contract for the waste-to-energy plant in Rome, envisaged for the Santa Palomba industrial area. On 17 April 2025, the concessionaire company "RenewRome" was established.

ACEA: MOODY'S CONFIRMS THE LONG-TERM ISSUER RATING "BAA2" AND THE BASELINE CREDIT ASSESSMENT "BAA2"

On 15 May 2025, Moody's announced that it had confirmed the Long-Term Issuer Rating at "Baa2" and the Baseline Credit Assessment at "baa2" for Acea. At the same time, the Agency confirmed the provisional "Baa2" senior unsecured rating on the €5 billion EMTN programme and the "Baa2" senior unsecured rating on the bond issues under the programme, with a "stable" outlook.

ACEA: SIGNING OF THE PUBLIC LIGHTING AGREEMENT WITH ROMA CAPITALE

On 15 May 2025, the Public Lighting Agreement was formally signed by Acea and Roma Capitale, which determined the recognition of trade receivables and receivables for future accruals recognised by Acea, amounting to €72.3 million and €11.8 million respectively, which will be paid to Acea in 3 tranches starting from July 2025. The Agreement also entailed the release of the excess portion of the provision previously set aside for doubtful accounts, in the amount of €3.9 million, as well as the release of the risk provisions set aside for this purpose in previous years by areti (€3.6 million) for the waiver by Roma Capitale of penalties for delays in the completion of works and preliminary investigation fees.

ACEA: ANNOUNCEMENT OF ACEA'S OUTLOOK IMPROVEMENT

On 28 May 2025, Moody's announced that it had improved Acea's outlook from "stable" to "positive". At the same time, the Agency confirmed Acea's Long-Term Issuer Rating and the Senior Unsecured Ratings at the level "Baa2", the Baseline Credit Assessment at "Baa2" and the provisional "(P)Baa2" rating on the EMTN programme for €5 billion.

ACEA: ANNOUNCEMENT OF THE ENI PLENITUDE OFFER

On 4 June 2025, Acea announced that it had received a binding offer from Eni Plenitude for the entire share capital of its subsidiary Acea Energia SpA (100% Acea).

ACEA: ESTABLISHMENT OF ACEA GAS

On 5 June 2025, as part of the streamlining of its business lines, the Acea Group launched a.Gas SpA (Acea Gas), a new company whose objective is consolidation and growth in the gas distribution sector.

ACEA: START OF THE EXAMINATION OF THE OFFER RECEIVED FROM ENI PLENITUDE

On 7 June 2025, the Board of Directors of Acea launched the examination of the binding offer received from Eni Plenitude on 4 June 2025, for the entire share capital of its subsidiary Acea Energia SpA (100% Acea).

ACEA: APPROVAL OF THE OFFER RECEIVED FROM ENI PLENITUDE

On 24 June 2025, the Board of Directors of Acea accepted the binding offer received on 4 June 2025 from Eni Plenitude for the purchase of 100% of the share capital of Acea Energia SpA (which includes, inter alia, the 50% equity investment in Umbria Energy SpA), with the exception of the following business lines, which generated EBITDA of approximately €6 million in 2024: energy efficiency (with associated tax credits for the "superbonus" amounting to approximately €159 million at the end of 2024), electric mobility, circular economy and Energy Management and related contracts.

ACEA: THE ACEA GROUP TARGETED BY HACKERS

On 4 July 2025, the Acea Group became the target of a hacker attack. After an initial assessment of the impacts, the Cyber & Information Security department of Acea SpA filed a report on the Italian National Cybersecurity Agency's (ACN) portal as a voluntary NIS notification and immediately informed the CNAIPIC (Postal Police) of the events. Following the report, all technical containment actions were promptly initiated. On 5 July, interim notice of the incident was also given to the Italian Data Protection Authority (hereinafter "GPDP"), and on 8 July, having become aware of the personal data breach, a preliminary notice of the personal data breach was made to the GPDP, pursuant to art. Article 33 of Regulation (EU) 679/16. On the same date, Group companies in service with Acea were notified of the incident. However, the incident had no operational impact on the services provided by the Group companies. This was supported by a declaration of the external expert who was entrusted with the Incident Response technical activities.

ACEA: RECOGNITION OF BONUSES PAID BY ARERA

On 9 July 2025, Acea announced that ARERA, the Regulatory Authority for Energy, Networks and the Environment, had approved the final results of the application of the incentive for the Technical Quality of the Integrated Water Service for the two-year period 2022-2023. The Acea Group companies active in the water sector – ranked first in Italy for service continuity, leak reduction, and quality of purified water – were awarded more than €36 million out of the total of €155 million granted by ARERA.

ACEA: ESTABLISHMENT OF THE ROBOTIC JOINT LAB

On 16 July 2025, a.Quantum, an Acea Group company dedicated to developing innovative solutions for the non-regulated market, and the Italian Institute of Technology (IIT), a centre of excellence in scientific and technological research, signed a three-year strategic agreement. The agreement officially marked the establishment of a Robotic Joint Lab, a laboratory dedicated to the design and development of advanced robotic solutions for the construction, operation and maintenance of industrial infrastructure in the water, energy and environment sectors.

ACEA: ESTABLISHMENT OF THE EMTN PROGRAMME

On 16 July 2025, Acea set up a new €5 billion Euro Medium-Term Notes (EMTN) programme listed on the Borsa Italiana electronic bond market (MOT) and approved by the Commissione Nazionale per le Società e la Borsa (CONSOB, Italian Companies and Exchange Commission).

ACEA: COLLABORATION BETWEEN ACEA AMBIENTE AND VERSALIS

On 29 July 2025, Acea Ambiente and Versalis, the chemical company of Eni, signed a Memorandum of Understanding (MoU), which established the launch of a collaboration with the aim of promoting circular economy, developing joint initiatives for the recovery of post-consumer and post-industrial plastic through various recycling technologies.



ACEA: PARTIAL SPIN-OFF OF ACEA ENERGIA INTO A.CITIES

On 4 August 2025, with civil law statutory effect from 1 September 2025 the partial demerger of “Acea Energia SpA” was finalised, by transfer to the company “a.cities Srl” of part of its assets relating to e-mobility services and energy efficiency works. This scope was already included within Acea Innovation, which merged with Acea Energia on 1 January 2025.

ACEA: STANDARD ETHICS CONFIRMS THE CORPORATE STANDARD ETHICS RATING

On 3 September 2025, Standard Ethics confirmed Acea’s EE+ “Very Strong” Corporate Standard Ethics Rating (SER). The Company was assigned its first Corporate SER in 2019, and is included in the SE Mid Italian Index and in the SE Multi-Utilities Index. The confirmed rating reflects the ongoing commitment of the Group to strengthening and integrating sustainability in its business strategies, in line with the 2028 Business Plan.

ACEA: ACEA PUBLISHES THE FOURTH “GREEN BOND ALLOCATION & IMPACT REPORT”

On 3 September 2025, Acea published the fourth “Green Bond Allocation & Impact Report” for the years 2022-2024, related to the green format bond loan amounting to a total of €700 million, under the EMTN programme and maturing in 2031, issued as part of the Acea Group’s Green Financing Framework 2021.

ACEA: CLOSING FINALISED WITH TERNA FOR THE SALE OF RETE 2 SRL

On 30 September 2025, Acea finalised, through the wholly owned subsidiary areti, the closing with Terna for the sale of 100% of the share capital of Rete 2 Srl, owner of the High Voltage power grid, in execution of the agreement signed on 6 November 2024.

ACEA: AGREEMENT WITH MOWAH

On 25 November 2025, Acea signed an agreement with Mowah, a Saudi water and energy infrastructure company, to participate in the tender for the refurbishment and operational management of wastewater treatment plants in Saudi Arabia.

ACEA: IMPROVED RATING FROM BAA2 TO BAA1

On 25 November 2025, Moody’s announced that it had improved Acea’s outlook from “Baa2” to “Baa1”. Specifically, the Agency revised Acea’s Long-Term Issuer Rating and the Senior Unsecured Ratings to level “Baa1”, the Baseline Credit Assessment to “Baa1” and the provisional “(P)Baa1” from “(P)Baa2” on the EMTN programme for €5 billion. The outlook was consequently revised from “positive” to “stable”.

ACEA: AGREEMENT WITH PLENITUDE

On 3 December 2025, Plenitude and Acea SpA entered into an agreement for Plenitude to acquire 100% of the share capital of Acea Energia, a company operating in the retail energy market and wholly owned by Acea. The transaction also included a 50% stake in the share capital of Umbria Energy SpA.

ACEA: MEMORANDUM OF UNDERSTANDING WITH THE ARMY CHIEF OF STAFF

On 11 December 2025, Acea signed a memorandum of understanding with the Army Chief of Staff aimed at collaborating on issues relating to the rational use of water and energy resources to promote the circular economy, contribute to reducing consumption and protecting the environment, and to also train Italian Army personnel on water management.

ACEA: BINDING OFFER ACCEPTED BY ALGEBRIS INVESTMENTS FOR THE ACQUISITION OF AQUANEXA

On 18 December 2025, Acea, through its subsidiary a.Quantum, submitted a binding offer, which was accepted by Algebris Investments, through the Algebris Green Transition Fund, for the acquisition of up to 100% of the share capital of Aquanexa and, indirectly, the shareholdings held by the latter. Aquanexa, which specialises in providing integrated solutions for smart water cycle management, combines digital technologies, network engineering, advanced sensor technology and operational services for utilities, public bodies and businesses.

ACEA: PARTIAL SPIN-OFF OF THE “STANDARD TARIFF SERVICE” BUSINESS UNIT AND “ENERGY MANAGEMENT” ACTIVITIES

On 23 December 2025, the partial demerger of “Acea Energia SpA” was finalised, with legal effect from 1 January 2026, through the transfer to “Servizio Elettrico Roma SpA” (a company incorporated by the demerged company on 30 July 2025 and registered in the Companies Register on 7 August 2025) of part of its assets relating to the BU responsible for providing the Protected Market Service in Rome and Formello, in accordance with Article 1, paragraphs 2 and 3, of Decree Law No. 73 of 18 June 2007, converted with amendments by Law No. 125/2007, as amended.

It is be noted that on 23 December 2025, the partial demerger of the company “Acea Energia SpA” was finalised, with legal effect from 1 January 2026, by transferring to the company “Acea Energy Management Srl” part of its assets relating to the business unit responsible for “Energy Management” activities, consisting of wholesale procurement, marketing and sale of electricity and natural gas, as well as – inter alia – certain tax receivables.

ACEA: AGREEMENT SIGNED FOR THE ACQUISITION OF AQUANEXA

On 24 December 2025, Acea announced that it had signed a binding agreement with Algebris Investments for the acquisition of Aquanexa, following Algebris Investments’ acceptance of the binding offer.

ACEA: PARTIAL SPIN-OFF OF ACEA ENERGIA INTO AEMA

On 4 August 2025, with statutory effect from 1 January 2026, the partial demerger of “Acea Energia SpA” was finalised, by transfer to “Aema Srl” of part of its assets relating to energy sales to the protected market.

ACEA: APPOINTMENT OF A NEW CHIEF FINANCIAL OFFICER

On 13 January 2026, Acea announced that Valentina Bracaglia was the new Chief Financial Officer, taking over from Pier Francesco Ragni, who had been appointed Co-General Manager of Acea.

ACEA: PUBLICATION OF THE DEMERGER PLAN

On 13 January 2026, Acea published the Draft Plan for a Partial Demerger by Spin-off, pursuant to Article 2506.1 of the Italian Civil Code and subsequent provisions, consisting of the restructuring relating to the centralised management of certain services provided to Acea's companies, and referring to the transfer of the business unit responsible for providing the aforementioned services to a newly established company that will be wholly owned by the Company.

ACEA: TOP EMPLOYERS RANKING

On 15 January 2026, Acea was ranked 18th in the TOP 20 of the Top Employers Italy 2026 ranking published by the Top Employers Institute in collaboration with A&F of "La Repubblica". Acea received this prestigious award for the fifth consecutive year.

ACEA: DECISION OF THE ITALIAN COMPETITION AND MARKET AUTHORITY

On 2 March 2026, the Italian Competition and Market Authority issued a decision authorising the acquisition of Acea Energia SpA by Plenitude, subject to the purchaser undertaking certain commitments and excluding vulnerable electricity customers from the scope of the transaction (pursuant to Article 11 of Legislative Decree No. 210 of 8 November 2021), with the relevant management remaining within the Acea Group. This change in scope had no material impact on the total value of the transaction.

ACEA: APPROVAL OF PARTIAL DEMERGER

On 3 March 2026, the minutes of the Acea Board of Directors' meeting on 13 February 2026 were filed at the head office (subsequently recorded in the Register of Companies on 24 June 2026) and made available to the public on the Company's website, on the authorised 1INFO storage mechanism. These minutes had approved the partial demerger via spin-off in favour of the incorporating company a.evolution SpA. The reorganisation referred to the centralised management of certain services provided to Acea's subsidiaries and involved the transfer of the portfolio relating to the provision of these services to a newly established company that will be wholly owned by Acea.

ACEA: SAEP DJOUÉ PROJECT

On 10 March 2026, Acea was awarded the contract for the SAEP Djoué project, which aims to upgrade the water infrastructure in the Congolese capital, Brazzaville, in response to growing demand for water in the city's urban areas. The contract was awarded by the United Nations Development Programme (UNDP) to the joint venture led by Acea Infrastructure.

ACEA: SALE OF PUBLIACQUA SHARES

On 10 March 2026, the Court of Florence ordered Alia SpA (now Plures SpA) to acquire the 40% minority stake held by Acque Blu Fiorentina in Pubblica. This decision comes in the context of the extension of the integrated water service contract in the CT3 area until 31 December 2026, and the ongoing process with the Tuscan Water Authority aimed at determining the future management structure of the service. The effects of the judgment have been reflected in the draft consolidated financial statements as at 31 December 2025; an appeal will be lodged against the judgment in due course.



Main risks and uncertainties

THE ACEA GROUP'S ENTERPRISE RISK MANAGEMENT FRAMEWORK

Given the nature of its business and the complexity of the environment in which it operates, Acea recognises risk as an intrinsic part of its business activities, and believes that managing it effectively is key to guiding strategic decisions and ensuring long-term value creation.

In line with this vision, the Group has established its own Enterprise Risk Management (ERM) framework, comprising a combination of culture, governance, processes and methodologies that enable the key risks across the entire organisation to be identified, assessed and managed in an integrated manner, ensuring that the Group's overall exposure is consistent with the objectives of the Business Plan and Sustainability Plan. This framework is based on national and international best practices and guidelines in the field of risk management¹ and forms an integral part of the Internal Control and Risk Management System (SCIGR) (for a detailed description of the Acea Group's SCIGR, reference is made to section 4 of these Financial Statements, "Corporate Governance Report").

Acea's ERM Framework is developed and maintained by the Risk Management & Sustainability Department of Acea SpA and applied consistently across the Group. It is structured around a series of "key elements", characterised by mutual consistency and synergy, which are briefly described below.

RISK APPETITE FRAMEWORK

The Risk Appetite Framework (RAF) is the strategic and management tool whereby the Acea Group defines its risk appetite and determines the level of risk it is prepared to accept in the pursuit of its strategic objectives. The "RAF" makes it possible to specify the level of uncertainty the Company is willing to tolerate from a medium- to long-term perspective when balancing risk and return, thereby ensuring consistency between the guidelines approved by the Board of Directors and management decisions. It is applied to all initiatives of strategic importance undertaken by the Group during the financial year.

BUDGET AND @RISK PLAN

@Risk analysis, which complements the work of the business functions responsible for preparing the budget and the strategic plan, allows the risk perspective to be incorporated into these processes. This methodology, based on a risk-informed approach, enables the assumptions underpinning the business strategy to be validated by

quantifying and modelling specific risk scenarios using Monte Carlo simulations. These simulations are designed to assess the risk profile of the budget and business plan and verify their consistency with the RAF by examining the potential variability of the indicators defined therein. The findings of these analyses provide an outlook on possible future scenarios, supporting the Group's decision-making process and formulation of its management strategies.

EXTRAORDINARY @RISK TRANSACTIONS

The @Risk analysis process for extraordinary transactions extends the application of the ERM methodology to specific initiatives of strategic importance to the Group, integrating risk assessment into the analysis, evaluation and decision-making phases. This approach makes it possible to identify the main critical issues and uncertainties with short, medium and long-term impacts.

THE GROUP RISK MODEL

To facilitate the smooth operation of the entire ERM framework across all its components, Acea has adopted a standardised risk taxonomy (so-called Risk Model), which represents the universe of the types of risk that the Group is potentially exposed to. This model is the result of an in-depth analysis of both the socio-economic and business environments in which the Group operates and the objectives set out in the Business and Sustainability Plans.

Acea's Risk Model serves as an essential reference for the entire Group and for all stakeholders involved in ERM processes, providing a common language that facilitates consistent mapping and a comprehensive representation of risks, including when having to report to different corporate bodies.

The representation of the Risk Model has several levels of aggregation, with increasing granularity, based on the following elements:

- *Risk drivers*: provide an indication of the nature of risk source (external, internal or related to the Group's strategic activities);
- *Risk category*: aggregates the risks referring to a specific operating method/company context and having the same external source of risk in common;
- *Risk type*: represents the aggregation of the risk scenarios characterised by the same nature, based on a logic of prevalence which makes it possible to catalogue the risk event.

¹ CoSO (Committee of Sponsoring Organizations of the Treadway Commission) ERM Framework, Corporate Governance Code, ed. 2020

Acea Group Risk Model



ERM RISK ASSESSMENT

The ERM risk assessment process is the operational framework whereby the Acea Group ensures a structured and ongoing assessment of its risk profile, guaranteeing an up-to-date and shared understanding of the factors that may affect the achievement of its business objectives. Specifically, risk assessments are carried out at least once a year by all Group companies, and coordinated by Acea SpA’s Risk Management & Sustainability Department, which ensures methodological consistency and oversight of the consolidation of results at corporate level. This function coordinates a network of ERM Focal Points within the main companies, who work with their respective risk owners to identify, analyse and assess the key risk scenarios.

A specific assessment methodology enables the probability of occurrence, potential impact and effectiveness of existing controls to be assessed for the risk scenarios identified. This activity is carried out on an integrated and synergistic basis together with the risk analyses conducted in the context of sustainability (so-called ESG *Environmental, Social & Governance related risks*), as discussed in detail in the relevant section of this document (*for further details, please refer to the Sustainability Report included in these Consolidated Financial Statements*).

Based on these analyses, risk issues are classified and prioritised according to their overall significance, enabling the Group to identify its Top Risks, and on which to focus the main response strategies, ensuring consistency with the objectives of the Business Plan and



risk appetite defined through the RAF. Specifically, monitoring of the identified mitigation measures is carried out on an ongoing basis, with the aim of verifying the effectiveness of the measures implemented and being able to promptly make changes to the overall risk profile.

The findings of the analyses carried out are incorporated into a consolidated overview of the Group's risk profile, which is shared with senior management to support strategic decision-making in line with governance guidelines.

The section below outlines the main risks that the Acea Group is exposed to, presented according to the risk model adopted and identified through the ERM risk assessment process.

Furthermore, In order to contain the risks identified, the Group has implemented mitigation and monitoring as outlined below at both a corporate and business unit level. Specifically, for some time now, the Acea Group introduced the development and adoption of a

Group Insurance Plan among the Risk Management tools, based on the following pillars:

- Third Party Liability
- Property Damage
- Employee benefits

More specifically, the first two pillars transfer the economic and/or asset risk deriving from civil liability – in all its general, professional, environmental forms – and from events (accidental, culpable or malicious) affecting the Group's physical and production assets.

The third pillar, on the other hand, aside from transferring economic and financial risk, implements a corporate welfare measure guaranteeing and paying the employees of the Acea Group significant financial support – both to those directly concerned and to those who may be entitled – in case of serious traumatic events related to both the professional and private spheres.

Main steps of the ERM Risk Assessment Process



COMPETITIVE-REGULATORY RISKS

REGULATORY EVOLUTION RISK

As is well known, the Acea Group operates mainly in regulated markets and the requirements and obligations that characterise them (as well as changes in the rules of operation of these markets) can significantly affect the results and performance of operations. In particular, several Group companies manage the Integrated Water Service in their respective Territorial Areas, which is known to be a sector receiving an increasing level of attention from lawmakers and the Sector Authority (ARERA). The Group is therefore exposed to the evolution of the relevant legal/regulatory frameworks in the areas served.

In this regard, it should be noted that following the extension of ARERA's regulatory and control powers to waste management, Companies in the Environment Segment are also exposed to potential risks arising from changes in the regulatory framework.

These risks are mitigated by careful monitoring of regulatory developments, interacting with the relevant bodies and participating in association and institutional meetings carried out by the compe-

tent business structures in synergy with the Group's organisational structures. These structures monitor regulatory developments in terms of providing support in the preparation of comments in the response to the Consultation Paper, in line with the interests of Group companies, and guidance for the consistent application of regulations in corporate procedures and within the electricity, gas, water and environment businesses.

POLITICAL, SOCIAL AND MACROECONOMIC CONTEXT RISK

In providing services to its customers, the Acea Group is very attentive to the expectations and choices of its institutional, regional and central counterparts. On the other hand, most of its activities are in any case sensitive to the economic and structural dynamics experienced by the economic and productive fabric of the respective regions.

In this sense, the main factors influencing the Group's performance include changes in the political, social and macroeconomic context of reference. These uncertainties can have an impact on the achievement of economic/financial objectives and investments, as well as on the implementation of major works, whose timing can be influenced by changes in government structures at both a central and local level.

In this sense, the main factors influencing the Group's performance include changes in the political, social and macroeconomic context of reference, as well as the persistent international geopolitical crises. These uncertainties may affect the achievement of financial and economic targets and investment plans, as well as progress

in major infrastructure projects, with these time lines sensitive to changes in government structures at both central and local levels, whilst costs are influenced by trends in raw material prices on international markets.

To mitigate these risks, a dedicated organisational unit manages relations with institutional stakeholders and maintains ongoing dialogue with the heads of the business units affected by the relevant issues; furthermore, management is committed to monitoring the situation on international markets and will continue to analyse commodity prices.

NATURAL RISKS

The natural environment is the setting of the Acea Group's operations; among the risk factors that the Group is exposed to, specific attention must therefore be paid to the potential impacts arising from unforeseeable natural phenomena (e.g. earthquakes, floods and landslides) and/or from cyclical or permanent climate changes. The impacts of these could manifest in operational, regulatory and legal terms, with potential economic and financial repercussions. Acute meteorological events like the reduction of rainfall can impact negatively on both hydroelectric energy production and reduce the availability of drinking water to be distributed, with among other things, an increase in energy consumption for the withdrawal of water from less favoured sources. On the other hand, extreme phenomena such as heatwaves and/or storms can lead to the risk of lightning strikes, blackouts or, for the water network, drains connected to the wastewater systems overflowing and turbidity in water

sources. Moreover, from a regulatory and legal point of view, these climatic effects may impact service performance in accordance with the regulations in force, with consequent financial penalties.

These types of risks are addressed with the implementation of solid asset governance tools, specific to each business area² (e.g. Water Safety Plan within the IWS; constant monitoring of reservoirs, also carried out in collaboration with the competent Ministry, in the field of dam management), as well as with projects, some with a national scope, aimed at increasing the resilience of infrastructure in the various regions (e.g. the project for the Peschiera-Le Capore aqueduct).

The remaining portion of the risks arising from natural events is transferred through the development and implementation of the aforementioned Group insurance programme.

OPERATIONAL RISKS

In carrying out the activities that characterise its various business lines, the Acea Group is exposed to operational risks that may affect the continuity and efficiency of the services it provides, ranging from water cycle management and electricity distribution to environmental and industrial activities. Safeguarding the integrity and reliability of infrastructure assets is critical, because unforeseen events, failures or adverse external conditions can lead to operational disruptions that affect service quality and user satisfaction. These factors require constant strengthening of planning, maintenance, monitoring and cross-functional coordination measures, to safeguard the resilience and operational continuity of the entire industrial perimeter.

Given the diversity and complexity of the Group's businesses, additional risks could relate to procurement processes, particularly with regard to the time required to procure goods, services and works

essential to meeting the operational needs of the Group's companies: any delays could affect the timely execution of activities, the completion of investments and maintenance of service standards.

In response to these types of risk, the Group has implemented various mitigation measures, including, as mentioned earlier, structured programmes for the preventive and predictive maintenance of critical assets, advanced real-time monitoring and control systems, business continuity and emergency management plans, as well as initiatives to improve the efficiency of procurement processes through forward requirement planning, the qualification of strategic suppliers and use of digital tools to support tender and award time lines. Taken together, these measures help to strengthen the Group's operational resilience and ensure service continuity across various industrial sectors.

HUMAN RESOURCES RISKS

The Group recognises the risks associated with human resources management, in particular the potential loss of specialist skills, a decline in organisational well-being, and insufficient employee engagement in business processes. These factors can impact negatively on service quality, business continuity and the ability to attract, develop and retain talent. This is why the Group prioritises a

people-centred approach, adopting a management model focusing on professional and organisational development. In other words, structured training programmes, personalised development pathways, coaching initiatives, talent assessment and development tools, and initiatives focusing on organisational well-being. Mechanisms for active participation and ongoing dialogue with people are also

² For further details, reference is made to the following section on Risks by Business Unit.



encouraged, fostering a collaborative and inclusive environment. This context also includes the Charter on the Person and Participation, which was developed in collaboration with trade unions and helps to strengthen engagement and support collective well-being, complementing the key initiatives already adopted by the Group. One area of particular concern relates to health and safety in the workplace, where accidents, highly complex operational environments or non-compliant behaviour could jeopardise staff safety, resulting in operational and reputational consequences as well as

liability for the organisation. To fully manage these risks, the Group integrates safety at a structural level through the implementation of a Safety Model, supplemented by compulsory and specialist training, risk prevention and monitoring programmes, periodic audits, continuous improvements to technical and organisational standards, and initiatives to raise awareness regarding safe behaviour. Reporting tools and near-miss analysis systems are also in place, to identify critical issues and take prompt action, thereby helping to protect people's safety and ensure business continuity.

COMPLIANCE RISKS

The nature of the business exposes the Acea Group to the risk of non-compliance with applicable legislation, including Italian Legislative Decree no. 231/2001, antitrust legislation and the GDPR, where breaches could result in administrative and financial penalties, operational restrictions, reputational damage and significant legal and financial liabilities.

The Group recognises the risk of non-compliance with domestic and EU consumer protection regulations, that is the risk linked mainly to the commission of unlawful or improper consumer/business practices or the issuing of misleading advertising, as well as the risk of non-compliance with domestic or EU competition regulations, namely, the risk linked mainly to the prohibition for companies to implement agreements to reduce competition or abuse their dominant market position. Acea has long adopted a specific Antitrust Compliance Programme and appointed a Holding Antitrust Officer to oversee this risk. The main objective of the Programme is to strengthen internal controls aimed at preventing the breach of regulations through periodic risk assessment and monitoring and the implementation of regulatory and organisational instruments, as well as by widely disseminating a culture of respect for the principles of fair competition and consumer rights. The main Group companies adopted the Antitrust Compliance Programme in line with the indications of the Holding Company, and set up organisational structures in which Company Antitrust Officers were appointed, given the task of managing the activities to adapt the Programme to the individual companies and supervise its implementation and maintenance.

The Group is also exposed to the potential risk of non-compliance with data protection legislation (EU Regulation 2016/679 – the “GDPR”, the Privacy Code and provisions issued by the Data Protection Authority), from processing that does not comply with the principles of lawfulness, data minimisation and security, from the absence of appropriate legal bases or privacy notices, and from the inadequate management of roles and processes. To manage these risks, the Group has adopted a Privacy Governance Framework, which designates the Parent Company as the body responsible for coordinating and directing centralised controls, which are implemented across Group companies according to the significance of the core processes specific to each business area. In line with this model, internal procedures are in place to manage privacy risks, there is a channel for reporting privacy concerns or complaints to the Group, and the data breach management process is also effectively managed. In addition, a new training programme for privacy specialists at Acea and Group companies has been completed, and the online training programme has been extended to the operating companies. This programme is designed to fulfil the data controllers' obligation of training data processors, with specific initiatives cov-

ering corporate and cross-functional processes (HR, Legal, etc.). A Data Protection Officer (DPO) is appointed at Acea SpA and its subsidiaries; each company adapts the Policy to the specific nature of its data processing activities and is subject to regular monitoring and updates to its compliance controls.

The risk of non-compliance with Legislative Decree Regulation 231/2001 refers to the possibility that Group companies may fail to comply with the requirements set out in the Decree on the administrative liability of legal entities, or that they may have failed to adopt or correctly implement a crime prevention system in accordance with the Decree's requirements, thereby exposing the Group to very significant penalties and serious reputational and operational consequences. To mitigate and closely monitor this risk, the Organisational Models pursuant to Legislative Decree Legislative Decree 231/2001 adopted by Acea Group companies are continuously updated and improved to align with legal and doctrinal developments, the evolving regulatory landscape of the Decree, and changes to the corporate structure. With regards to Acea SpA, the current 231 Model was updated to reflect the regulatory changes introduced at the end of November 2024. In addition, oversight activities are carried out by the relevant bodies, and regular training programmes are organised.

As part of the general Group Whistleblowing Procedure aimed at regulating the system whereby anyone can make voluntary whistleblowing reports, guaranteeing the confidentiality of the identity of the whistleblower, the reported party and persons involved, thus protecting him/her from any retaliation, the rules governing Whistleblowing relating to unlawful conduct have been updated, also in the scope of the various compliance programmes. The update also extended the possible channels of communication, by introducing a specific IT platform, accessible to everyone (employees, third parties, etc.) via the website of each Group Company, and by employees of the Italian Companies of the Group having access to the company's Intranet.

Finally, from the second half of 2024 and throughout 2025, Acea SpA undertook a major project aimed at establishing an Integrated Compliance System (covering the 231 framework, anti-corruption, antitrust and data protection) and subsequently conducted an integrated Risk Assessment to update the reference documentation for the respective compliance models. Specifically, the updated 231 Model will be approved in the first quarter of 2026. The new methodological approach was also shared with the Group's Companies.

INFORMATION TECHNOLOGY RISKS

For several years now, Acea has been pursuing technological development, based on the use of advanced digital solutions to support the operational efficiency, safety and resilience of its industrial assets. Today, the Group's core business processes are supported by advanced IT systems, which are implemented and managed centrally to ensure a unified approach that benefits all Group companies. This increasing digitalisation nonetheless exposes Acea to the risks typically associated with information and network systems, making robust cyber security measures essential.

In 2023, Acea experienced a ransomware cyberattack, which affected all its corporate IT services. Essential services (including electricity and water distribution) were not impacted; with reference to work stations, only a few units were compromised, thanks to the anti-malware technology installed. Concurrent with analysis, existing security measures were strengthened and recovery was begun, including restoration of full backups, which led to a gradual recovery of functioning for all systems/services. The event involved the compromising of the company's non-structured data repository with an impact on availability. Together with internal analysis, an investigation by the Public Prosecutor of Rome was launched and is still under way, utilising the bodies of the CNAIPIC Postal Police - PG to analyse the incident. The incident was also followed by the online publication of company folders and files illicitly extracted during the attack. Given that personal data was also contained in these, the company's Data Breach procedure was activated, with notification of the Personal Data Protection Authority (GPDP). Acea promptly implemented all the procedures necessary to comply with the Privacy regulations. In particular, the GPDP received a preliminary notification by the deadline of 72 hours after the event was identified. Subsequently, two supplementary notifications were sent, followed by a third on 21 April 2023, completing the notification process and providing evidence of the results of the analysis carried out.

Following the conclusion of the notification process, the GPDP sent a request for information which Acea responded to by the deadline, and subsequently began an audit, mainly consisting of requests for information and documents inherent to the notifications made. The audit took place on a single day in May 2023, at the end of which the GPDP advised that a second audit would take place in July 2023. At the end of this second day, the GPDP set a deadline of 31 July 2023 to provide the additional documentation requested, which was not available at the time as it was being finalised. This documentation was supplied by the date indicated above.

From that point, no additional requests for information or clarifications have been received from the GPDP, although it has the power to request them, nor has it issued any provisions.

That being established, remember that still today the Authority has the right to obtain further information through requests and investigatory actions. Based on currently available information it is not

possible to predict whether the Authority will apply any sort of penalty, nor the relative amount. Therefore the communication made in the half-yearly report for 2023, at the request of Acea but through a third party, remains valid also considering that the procedure for notifying the Authority was respected.

It is also noted that on 4 July 2025, Acea Spa's Cyber & Information Security unit detected a cyber attack on part of its IT systems. The incident was handled in accordance with existing company procedures and involved a malicious attack carried out by a criminal group for the purpose of extortion. The cyberattack did not affect digital services and did not disrupt the provision of services to the public and businesses.

In view of the cybersecurity risk associated with the incident, a technical operations war room was set up, which immediately implemented a series of technical measures to contain the attack and eliminate the cyber threat, and conducted the necessary investigations to assess potential data breaches.

It is noted that from the very moment the attack was detected, Acea promptly cooperated with all the relevant cyber security and data protection authorities, submitting a report via the National Cybersecurity Agency (ACN) portal as a voluntary NIS (Network Information and Security) notification, thereafter informing the CNAIPIC (Postal Police) to initiate the necessary investigations, as well as notifying the Italian Data Protection Authority (GPDP), in accordance with Article 33 of EU Regulation 679/16. In this regard, the first indications of a possible personal data breach, relating to the personal details of employees and third-party contractors occurred on 6 July; on 8 July 2025, and within the statutory 72-hour deadline from the detection of the breach, the Company then sent the preliminary notification to the Data Protection Authority, in accordance with Article 33 of EU Regulation 679/16. Additional investigations have shed more light on the circumstances of the incident and the attacker's actions, revealing that only unstructured data relating to a Group company was exfiltrated. This was subsequently confirmed by the attacker's publication of the exfiltrated information on the dark web on 29 July. Given the nature of the data involved in the breach, and especially based on ENISA's methodology for assessing the impact on data subjects, and having determined that the breach was unlikely to pose a high risk to the rights and freedoms of natural persons, it was decided not to directly notify data subjects of the breach.

Finally, in addition to the information already provided, it is noted that a remediation plan has been drawn up and is currently being implemented; this plan was developed in collaboration with the National Cybersecurity Agency (ACN) and aims to strengthen our cybersecurity posture. The strengthening plan, which was first implemented in October 2025, will continue through structural measures aimed at continuously strengthening the organisation's cybersecurity posture, in line with industry best practice and regulatory requirements.

MAIN RISKS FOR BUSINESS UNITS

In addition to the information already provided regarding the main risks and uncertainties identified at Group level, further details are provided below concerning the specific types of risk that individual business units are exposed to, taking into account their respective operational characteristics and management-specific features that distinguish their activities.

WATER

With regard to the specific risks associated with the water sector, special focus is given to risks arising from unpredictable natural phenomena (e.g. earthquakes, floods and landslides) and from cyclical or permanent climate changes, which may affect resource availa-



bility, service continuity and infrastructure integrity. In addition to these, there are operational risks linked to the scale and complexity of the networks, risks relating to water quality, licensing and regulatory issues, as well as vulnerabilities in the IT and OT systems used for remote monitoring and automation.

Companies in the segment address these risks through advanced asset management tools – such as Water Safety Plans, network modelling and water quality monitoring systems – as well as strategic projects aimed at enhancing infrastructure resilience, including the project dedicated to the Peschiera–Le Capore water supply system. To complement these measures, digital control systems are being upgraded, predictive maintenance programmes have been introduced, and automation and remote monitoring systems have been updated. For some companies, there is a programme for managing the risks associated with complex projects (in particular those funded by the NRRP and the Nuovo Tronco Superiore del Peschiera project), based on a structured project risk management methodology and dedicated management tool.

This framework is further strengthened by regulatory compliance measures, the systematic management of relations with the relevant authorities, and cybersecurity initiatives, in line with the Group's guidelines. The remaining portion of natural and infrastructure risks is ultimately transferred through the Group's insurance programme, which includes cover for property damage, third-party liability and employee accident insurance.

NETWORKS & PUBLIC LIGHTING

Within the network management and public lighting sector, risks associated with cyber threats to IT/OT systems and climate change are especially significant, as these can place considerable strain on network infrastructure and impact in terms of business interruption, service quality and damage to company assets.

Specifically, risks associated with the occurrence of cyber threats, exposing Company business OT systems to compromised availability, integrity and confidentiality for data in the scope of the Industrial Control Systems (ICS), with potential damage in terms of business interruptions (due to the alteration/unavailability of technical or administrative processes), data/infrastructure impairment (alteration of the logical or physical infrastructure) and breaches in terms of regulatory compliance (e.g. the General Data Protection Regulation (GDPR), Network and Information Security (NIS) and the national cybernetic security perimeter). The company has long adopted preventive measures and will implement further projects in line with the best available technology and in compliance with current legal provisions.

With regard to the exceptional pressures on the electricity distribution network caused by weather events associated with climate change (e.g. flash floods, heatwaves, rising average temperatures, etc.), which may lead to a reduction in operational reliability, service interruptions and damage to assets, the management of this risk is not only based on adopting Business Continuity and Disaster Recovery procedures, but also on the enhancement of infrastructure monitoring and control systems and the continuous updating of routine and extraordinary maintenance plans. These measures are further complemented by a gradual increase in investments aimed at strengthening the network infrastructure resilience.

ENVIRONMENT

In the context of industrial activities relating to the treatment, sorting, recovery and disposal of waste, risks associated with the operational continuity of facilities are especially significant. This applies specifically to waste-to-energy and waste treatment plants, where any unplanned downtime can have significant economic and operational consequences, as well as potentially result in liability towards waste suppliers. The technical complexity inherent to waste-to-energy plants and, to a lesser extent, waste sorting, treatment and disposal facilities, also poses risks relating to the availability of specialist expertise. Any shortage or difficulty in recruiting highly qualified personnel to manage the facilities could affect technical performance levels and operational continuity. Added to this are risks associated with changes in the characteristics of incoming waste or outgoing materials compared with the specifications in the authorisation documents, with potential implications for process stability, regulatory compliance and the reputational profile of companies in the segment.

Further risks relate to changes in the regulatory framework governing environmental, energy and emissions matters, as well as from cyber risks associated with control and automation systems.

To manage these types of risks, companies within the Group have adopted specific programmes, protocols and maintenance plans, which have been developed on the basis of their operational experience and are designed to ensure maximum technical reliability at all facilities. Structured procedures are also in place to verify and monitor the characteristics of incoming waste and outgoing materials through systematic sampling and analysis, ensuring compliance with regulatory requirements and reducing the risk of operational issues. Expertise is maintained through specialised technical training programmes and initiatives aimed at retaining key personnel, whereas exposure to regulatory risks is mitigated through constant monitoring of regulatory developments and updating internal procedures. Cyber and operational risks are also mitigated through advanced IT security systems, internal controls and business continuity plans that comply with the Group's standards. Any remaining exposure to risks arising from natural events or damage to facilities is ultimately covered by the Group's insurance scheme.

PRODUCTION

Within the scope of companies operating in the energy generation sector, the main risks relate to potential damage to production assets, risks to the safety of staff, vulnerabilities in information systems, and external events that may affect the reliability of facilities and production continuity. To mitigate these risks, companies in the segment participate in the Group's insurance scheme, which provides cover for property damage, third-party liability and workplace accidents. The operational management system is supported by ongoing training, delivered both in person and via digital platforms, designed to promote safe practices that comply with current legislation, including the provisions of Italian Legislative Decree 231/01, antitrust, consumer protection and data protection laws. Robust process oversight is underpinned by a structured set of organisational procedures and operational guidelines that define responsibilities, technical requirements and the methods for safely carrying out maintenance and operational activities. These measures form part of the Integrated Quality, Environment, Safety and Social Responsibility Management System, which complies with ISO and SA8000 standards and is

certified by accredited bodies.

Finally, the picture is completed with the adoption of environmental reporting systems in line with the EMAS Regulation and by the corporate policies that guide the actions of companies in the sector by protecting assets, people and the environment.

ENGINEERING & INFRASTRUCTURE

The core business of companies in this sector focuses primarily on public works and thus relies heavily on authorisation processes, which are influenced by relationships with local institutions and stakeholders. Any difficulties encountered in these discussions may lead to delays that are incompatible with the time lines set in procurement plans; these risks are managed through constant internal monitoring and the application of current regulatory procedures. In the legal and compliance area, the Company faces risks associated with the regulatory obligations applicable to public works and activities outsourced to third parties. Quality assurance is guaranteed by specialist staff and ongoing updating of the management system. At the same time, expansion into the non-captive market may increase exposure to litigation, with potential financial and reputational consequences; for this reason, provision has been made to conduct preliminary assessments of partners and systems to monitor data relating to disputes.

Regarding human resources, the high degree of specialisation involved in our activities entails risks relating to the management and retention of technical know-how. The company supports this through training programmes, dedicated organisational structures and initiatives aimed at skills development and staff engagement. Safety on construction sites is also a significant area of risk: serious accidents would have major operational and reputational consequences. The measures adopted include dedicated security structures, internal procedures and regular checks, as well as the additional measures already outlined in the previous section on human resources.

MARKET RISK

The Group is exposed to various market risks with particular reference to the risk of price/volume oscillations for commodities being bought and sold, interest rate risks and foreign exchange risks to a lesser extent. To reduce exposure to within the defined limits, the Group enters into contracts drawn up on the basis of the typologies offered by the market.

The **Market Risk** is the risk concerning the unexpected effects on the value of the portfolio of assets due to changes to the market conditions.

COMMODITY RISK

Through the activities carried out by the Commodity Risk Control Unit of the Risk Management & Sustainability Department, Acea SpA ensures the analysis and measurement of exposure to market risks, interacting with the Energy Management Unit, verifying compliance with the limits and criteria adopted by the General Risk Management of the Energy Management Segment in line with the Acea SpA “Guidelines for the Internal Control and Risk Management System” and Acea SpA “Guidelines for Risk Management for Commodity Trading in Futures Markets”. as well as the spe-

ENERGY MANAGEMENT

With reference to the Energy Management segment, the Group is actively engaged in the optimisation of energy flows, with particular reference to the integrated management of procurement and sales of energy commodities, primarily natural gas and electricity. The aim of this activity is to ensure efficiency in supplying and covering the energy needs of Group companies, as well as to seize market opportunities through sales to third parties.

The business is characterised by high operational complexity and an inherent exposure to market variables, such as the volatility of commodity prices, the liquidity of wholesale energy markets, and the evolution of the regulatory and regulatory framework of reference, both at national and European level.

The Group uses derivative instruments for the purpose of economic hedging mainly to mitigate risks related to the volatility of commodity prices and to align the energy cost structure with contractual commitments to internal and external counterparties. These instruments are accounted for in accordance with IFRS 9, based on the appropriate classification (FVPL or FVOCI) and the hedging strategies adopted.

Energy management activities also involve operational risks related to the adequacy of information systems and monitoring processes, the timeliness of accounts management, and the correct assessment of market and credit exposures to counterparties.

The Group adopts internal control policies and procedures aimed at ensuring adequate management of related operational risks, including the segregation of functions between front, middle and back office, compliance with authorised limits for operations on regulated and unregulated markets, and continuous monitoring of the fair value of derivative contracts, including through the use of validated internal models.

Information about commodity price risk and the control tools adopted is provided in the financial risks section.

cific procedures. The analysis and management of risks is carried out according to a second-level control process that involves the execution of activities throughout the year with different frequency by type of limit (annual, monthly and daily), carried out by the Commodity Risk Control Unit and by risk owners.

Specifically:

- the risk metrics and limits to be observed in risk management activities are defined on an annual basis;
- every day, the Commodity Risk Control Unit monitors exposure to market risks of the companies in the Energy Management Operating Segment and verifies compliance with the defined limits.

The reports are sent to the Top Management on a daily and monthly basis. when requested by the Internal Control System, the Commodity Risk Control Unit sends the requested information.

In this context, reference is made to the **Price Risk** and **Volume Risk** cases as defined:

- **Price Risk:** risk linked to the change in commodities prices due to the difference in the price indices for purchases and sales of Electricity, Natural Gas and Environmental Certificates;
- **Volume Risk:** the risk linked to changes in the volumes effec-



tively consumed by clients compared to the volumes envisaged in the sales contracts (sale profile) or, in general, the balancing of positions in the portfolios.

The risk limits of the Energy Management Segment are defined in such a way as to:

- minimise the overall risk of the entire segment;
- guarantee the necessary operating flexibility in the provisioning of commodities and hedging;
- reduce the possibility of over-hedging deriving from the variation in expected volumes for the definition of hedges.

The management and mitigation of commodity risk are functional to achieving the economic and financial objectives of Acea Group, as indicated in the budget, in particular:

- to protect the primary margin against unforeseen and unfavourable short-term shocks in the energy market which affect revenues or costs;
- to identify, measure manage and represent exposure to risks;
- to reduce risks through the preparation and application of adequate internal controls, procedures, information systems and expertise.
- Commodity trading on futures markets is intended to satisfy expected needs deriving from electricity and gas sales contracts for the Group and to end customers.

The risk hedging strategy adopted by the Energy Management Segment also aims to minimise the risk associated with the volatility of the Income Statement deriving from the variability of market prices and ensure correct application of the Hedge Accounting (in accordance with current International Accounting Standards) to all derivative financial instruments used for such purpose.

As regards the commitments undertaken by the Acea Group to stabilise the cash flow from purchases and sales of electricity, it should be noted that all of the ongoing hedging operations are recorded in the accounts using the flow hedge method, as far as the effectiveness of hedging can be demonstrated.

The activity performed by the Commodity Risk Control Unit provides for daily codified checks on compliance with risk procedures and limits (also for purposes of compliance with Law 262/05) and reports to the Top Management any discrepancies detected during the phases of checks, so that measures can be adopted to be within the established limits.

In 2025, the application of the limits established for management of the portfolios in the Energy Management Segment continued to be suspended as the entire process is currently under revision with a view to expanding its scope of application and improving its operational efficiency.

INTEREST RATE RISK

The Acea Group's approach to management interest rate risk, which takes the structure of the assets and the stability of the Group's cash flows into account, has so far been prudent and intended to preserve the cost of funding, to stabilise the margins and the cash flows deriving from ordinary activities through a management method that tends to be static in nature.

In particular, for static management (to be opposed to the dynamic one) we mean a type of management of interest rate risk that does not provide for daily operations on the markets but an analysis and

control of the position carried out periodically on the basis of specific needs. This type of management therefore involves daily activity in the markets, not for trading purposes but in order to hedge the identified exposure in the medium/long term. Acea has, up to now, opted to minimise interest rate risk by choosing from time to time a mix of fixed and floating rate funding instruments.

As it is known, fixed rate funding protects a borrower from cash flow risk in that it stabilises the financial outflows in the income statement, whilst heightening exposure to fair value risk in terms of changes in the market value of the debt.

FOREIGN EXCHANGE RISK

The Group is not particularly exposed to this type of risk, which is concentrated in the conversion of the financial statements of its overseas subsidiaries.

In February 2025, the 20 billion Yen Private Placement, hedged through a cross currency swap, was repaid at maturity.

LIQUIDITY RISK

The goal of liquidity risk management, for both Acea and its subsidiaries, is to adopt a financial structure which, consistent with business objectives and within the limits defined by the Board of Directors, guarantees a suitable liquidity level that can meet short/medium-term financial requirements, while maintaining an appropriate balance between maturity and composition of debt, also taking into account the challenging objectives set out in the Business Plan in terms of developing new M&A initiatives.

The liquidity risk management process, which uses financial planning tools for outflows and receipts implemented at the level of the individual companies under the coordination of specific Group oversight, aimed at optimising the management of treasury hedges and to monitor the trend of consolidated financial debt, is carried out both through cash pooling management both through the support and assistance provided to the subsidiaries and associated companies with which there is no centralised finance contract.

CREDIT RISKS

Credit risk is associated with the possibility that a commercial counterparty is non-compliant, not honouring their commitments in line with the methods and schedules contractually established. This type of risk is managed by the Acea Group through specific procedures, which set out how the various stages of the process need to be managed; these procedures have been drawn up in accordance with the Group's Credit Policy and include appropriate mitigation measures.

With regard to Acea Energia SpA, the Credit Check system, which has been operating in unregulated markets for several years, whereby all new mass market and small business customers are checked through customised scorecards, is integrated with Free Market User Management system. In 2024 further amendments were made to the models to reflect the recent changes to the regulatory landscape (e.g. end of the standard market service) and the consequent development of the company's commercial policies, which were subsequently released in early 2025.

The assessment of Large Business customers is managed through an approval workflow involving decision-making bodies aligned with

the expected level of credit exposure of the supply. The models and tools for managing Large Business customers have also been optimised over time.

The dynamic management of recovery strategies is carried out in the User Management systems for active customers, based on their relative payment habits (performance scorecard) and with regard to Acea Energia SpA, through a dedicated management system for discontinued customers.

The structures of the individual companies responsible for credit management are coordinated by Acea's Corporate Credit unit, which guarantees end-to-end control of the entire process.

The mass management of active and inactive receivables for a moderate amount was carried out by the operating companies, leaving Acea SpA Corporate Credit with the task activity of disposing of non-performing receivables through disposal operations, as well as the management of inactive customers with significant amounts due. As a result of these interventions, in recent years the Acea Group significantly improved its collections capacity both in terms of electricity sales and the water supply business.

With regard to the calculation of the provision for doubtful debts, from 2022 onwards, given the challenging macroeconomic environment characterised primarily by the "energy crunch", the Acea Group has deemed it appropriate to incorporate a corrective factor into its credit risk assessment, aimed at anticipating any deterioration in the creditworthiness of counterparties in the portfolio. Therefore, utilising "satellite models", a stress scenario was introduced for the main Group companies to determine the unpaid rates used to calculate the writedown of invoices to be issued, differentiated based on the business in question.

In subsequent financial years, despite the gradual improvement in the macroeconomic outlook and steady improvement in cash collection performance, this prudent approach was maintained due to persistent uncertainties arising from the international environment

until June 2025. At the close of the 2025 financial year, in light of the evidence that had emerged regarding the collection performance of its main subsidiaries and their demonstrated resilience within the relevant market context, the Acea Group deemed it appropriate to remove the "stress scenario", thereby confirming the calculation of the expected loss derived from the forward-looking models used to determine the bad debts provision.

Based on the above, the use of non-recourse, revolving and spot transactions was, on the whole, lower than in the previous financial year, and with it the risk arising from the failure to settle these transactions in terms of their impact on overall debt levels.

Trade receivables are shown in the financial statements net of any impairment; it is held that the value shown expresses an accurate representation of the presumed realisable value of total trade receivables.

RISKS RELATING TO THE RATING

Access to the capital market and other forms of funding and the related costs depends, amongst other things, on the Group's credit rating by rating agencies.

A reduction in the credit rating could represent a limiting factor for access to the capital market and increase collection costs, with the consequent negative effects on the equity, economic and financial standing of the Group.

Acea's current rating is shown in the following table.

Company	M/L Term	Short Term	Outlook	Date
Fitch	BBB+	F2	Stable	03/2024
Moody's	Baa1	n.a.	Stable	11/2025