

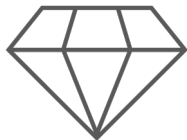
1. COVER STORY: THE ACQUISITION OF DEPA INFRASTRUCTURE IN GREECE
2. NINE-MONTH 2021 RESULTS
3. SUSTAINABILITY: INDEXES AND RATINGS
4. ITALGAS SHARE PRICE PERFORMANCE TO 10 DECEMBER 2021

WITH THE ACQUISITION IN GREECE, ITALGAS WILL BECOME THE EUROPEAN DSO LEADER

New horizons for Italgas business: on 9 September 2021, Italgas achieved exclusive rights, as "preferred bidder", in the tender called by the Greek government's privatization agency, HRADF, to acquire 100% of DEPA Infrastructure S.A., a company that controls the three main local gas distribution Companies, with the coverage of almost the entire country. At the conclusion of the bidding process, on 10 December 2021 the relevant Sale and Purchase Agreement was signed.

What opportunities open up for Italgas? What investments can be made? At what returns? And what are the estimated impacts on Group's earnings and dividends? The answers to these questions indicate that the deal has a very strong rationale, given the high impact expected on the EU energy transition path, the economic and environmental benefits forecasted in the energy consumption of Greek households and, last but not least, given the improvement in earnings and dividend growth expected for Italgas shareholders.

ITALGAS "PREFERRED BIDDER" FOR THE ACQUISITION OF DEPA INFRASTRUCTURE



DEPA Infrastructure S.A. is currently 65% owned by Hellenic Republic Asset Development Fund S.A (HRADF), the fund created to manage the privatizations in Greece, and 35% by Hellenic Petroleum S.A. (HELPE), one of the country's most important energy companies.

In the tender launched by the two current shareholders for the sale of DEPA Infrastructure, at the beginning of September Italgas has been selected as the "preferred bidder", following a bidding process that involved a number of qualified competitors interested in the transaction: four different private equity funds (EP Investment Advisors, First State Investments, Macquarie and KKR), as well as the consortium between the SINO-CEE Fund and the Shanghai Dazhong Public Utilities Group.

HOLDINGS PORTFOLIO: THREE GAS COMPANIES COVERING ALMOST THE ENTIRE COUNTRY



DEPA Infrastructure is the company controlling the three main gas distribution operators in Greece: EDA Tess, EDA Attikis and DEDA, respectively active in Thessaloniki Thessaly regions, Attiki region and other territories. Together, these three operators cover almost the entire Greek market, having exclusive rights in their respective areas.

A TRANSACTION WITH A STRONG RATIONALE



Italgas' decision to participate in the DEPA Infrastructure tender is based on solid reasons.

First of all, because the acquisition has a perfect fit with Italgas' **regulated core business profile** and its **long-term strategic vision**.

The deal is also attractive in absolute terms, considering the significant expected Return on Investment (ROI).

By seizing the opportunity to serve the entire Greek market and expanding its presence in an already known region, Italgas Group would also enjoy significant benefits in terms of **geographical and regulatory diversification**.

Lastly, the acquisition of DEPA Infrastructure would position Italgas as the **leading gas distribution operator in the European market**.

SIGNIFICANT AND VISIBLE FUTURE GROWTH



The **natural gas demand** is expected to **grow sharply** in Greece in the **medium-to-long term**, with natural gas continuing to win market share in the energy mix while replacing high pollutant sources, such as lignite or fuel oil. More specifically, gas demand from distribution networks is forecasted to increase at a 3.9% CAGR in the 2021-2030 period¹, while household gas consumption should increase at a 5% CAGR over the 2020-2030 period².

Increased penetration of distribution networks, cheaper natural gas prices compared to alternative fuels, and government incentives are **expected to drive such demand growth**.

Given these premises, **Greece can not only achieve but also exceed the EU decarbonization targets**.

Considering the current limited development of gas distribution in Greece, DEPA Infrastructure has visible chances **to increase both the level of coverage and the penetration rate** in the area. Italgas estimates that the number of users, from 509,000 in 2020, could exceed 1,050,000 in 2030, with a CAGR of 9% over the 2020-2026 period, against a significant extension of the length of the network, which would reach 11,500 km in 2030, from 6,875 km in 2020.

According to the initial estimates, this would result in approximately €1.1 billion of **cumulative Capex** over the 2022-2030 period and a **significant increase in RAB** of around 9% per year to 2026.

¹ gas demand base scenario of DESFA Development Study 2021-2030 excluding exports

² Greek National Energy and Climate Plan

OPPORTUNITY TO INCREASE EARNINGS BY DI 5-10% ALREADY IN THE NEXT TWO YEARS



DEPA Infrastructure's strong growth potential would allow Italgas to **leverage its core competencies** in implementing the **digital transformation of the Greek network** along the energy transition path.

Italgas would have a **positive impact on earnings per share**: the increase would be "high single-digit" in the short term (5-10% in '22-'23), "low double-digit" in the medium term (>10% in 2026), assuming 100% of the assets being consolidated. Given the current distribution policy, a **positive impact on the dividend per share** is also expected. The high growth profile, combined with the increased operational efficiency achievable in the medium term, offers attractive regulated returns.

In light of the financial characteristics of the transaction, Italgas' commitment to maintain a **solid investment grade rating** would be confirmed.

AN ATTRACTIVE REGULATORY CONTEXT STIMULATES INVESTMENTS



The **regulatory framework in Greece is well defined and transparent**, with numerous similarities to the Italian one. The regulatory structure is RAB-based and is set by the Regulatory Authority for Energy.

Tariffs reflect business plans presented by the Company, including investments agreed with the Regulator.

With regulatory periods lasting four years, the next tariff review is scheduled for the end of 2022. The **nominal return for the two-year period 2021-22E is 7.03%**, with an implied tax rate of 24%.

Italgas expects the **regulated returns** on the DEPA network to **remain stable**, considering the significant gas investments needed in Greece to replace the lignite and coal currently used.

Investments that meet specific criteria allow for an **additional return of 1.5%**. The regulation also provides for a downward protection mechanism, as it allows for compensation in case of under-recovery of regulated revenues.

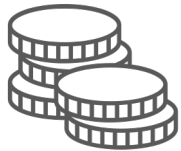
Lastly, the **long duration of the concession periods** (until 2043, with additional 20-to-30 years of potential extension) provides Italgas with the ideal framework to implement its long-term strategic vision. Through the DEPA Infrastructure acquisition, **Italgas would become the incumbent operator in Greece for the next decades**.

A “WIN-WIN DEAL”



Italgas’ offer has been much appreciated as in Greece the Group can put into play its **solid experience and advanced digital expertise in the development of energy infrastructure**; this will **accelerate** the country’s **decarbonization process** through the laying of flexible and **intelligent digital native pipeline networks**, ready to accommodate renewable gases such as biomethane, green hydrogen and synthetic methane. Additional opportunities may also be represented by the laying of fibre optics along the network and the development of small-scale LNG, which the Italgas Group is able to carry out.

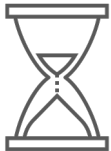
VALUATION



Italgas will acquire DEPA Infrastructure through a BidCo, a dedicated Italian “business and industrial development company”, **fully funded via intercompany debt**.

For the 100% of DEPA Infrastructure capital, Italgas has committed to pay **€733 million**: a value that would imply a premium on the estimated 2021 RAB of slightly less than 25%.

SHORT TIMELINE FOR CLOSING



On 10 December 2021, Italgas has signed a Sale and Purchase Agreement for the acquisition of 100% of DEPA Infrastructure S.A., after the conclusion of the tender procedure. The closing of the deal is expected to be signed in early 2022 at the latest, once the required authorizations, including that of the Antitrust Authority, will be obtained.

Related contents

Press Release

https://www.italgas.it/wp-content/uploads/sites/2/2021/09/CS_Italgas-preferred-bidder-nella-gara-per-la-privatizzazione-di-DEPA-Infrastructure29.pdf

Presentation

<https://www.italgas.it/en/press-releases-price-sensitive/italgas-preferred-bidder-in-the-tender-for-the-privatization-of-depa-infrastructure-s-a/>

9M 2021 RESULTS

A positive set of results and significant investments

In the first nine months of 2021, Italgas demonstrated the solidity of its industrial capabilities and its committed effort to achieve the energy transition targets set by the EU and the National Recovery and Resilience Plan. While continuing to execute its significant investment program, in a context of gradual economic recovery, the Group achieved double-digit growth in net profit, while maintaining a balanced and efficient financial profile. Therefore, on the back of nine-month results Italgas can confirm its financial targets for full-year 2021 and continue along the right path towards achieving its ESG targets for 2027.

THE NUMBERS OF THE FIRST NINE MONTHS OF 2021

€1,005.7mn (+2.8%)
Total Revenues

€749.0mn (+4.9%)
EBITDA

74.5%
EBITDA/Revenues

€430.6mn (+7.3%)
EBIT

€273.6mn (+10.5%)
Net Profit adjusted

€533.7mn (+21.0%)
Cash flow from operations

€612.6mn (+10.3%)
Capex

€5,055.4mn (+€318.9mn vs 31 Dec. 2020)
Net Financial Debt

During 2021, Italgas effort to become the first utility in the world with fully digitalised assets continued, through a challenging investment plan. The effectiveness of Italgas' strategic choices is confirmed by the uninterrupted growth of its financial results, even in a complex scenario such as that caused by the pandemic.

In the first nine months of 2021, Italgas recorded a 2.8% increase in **total revenues**, which reached €1,005.7 million despite the negative impact of the reduction in tariffs under ARERA Resolution 570/2019 for the 2020-2025 period.

The main drivers of revenues were the significant increase in RAB (Regulatory Asset Base) and services to clients, as well as the strong expansion in the energy efficiency business of Seaside.

Therefore, more than half (+€14.2 million) of the total revenue increase of €27.7 million came from **other revenues** and 48.7% (+€13.5 million) from **regulated revenues**.

Italgas also achieved tight control over **operating costs**, which fell by €7.0 million (-2.7%) compared with the first nine months of 2020, resulting in an increase in **EBITDA** of 4.9% compared with the same period of the previous year.

EBIT - which reached €430.6 million, growing faster than EBITDA – was up 7.3% compared to the same period in 2020, against a negligible change in depreciation and amortization of €5.5 million. Higher depreciation and amortization due to the investments made were partly offset by lower depreciation and amortization for the installation of new smart meters (€1.1 million vs. €14.8 million in the first nine months of 2020), as the program is coming to an end.

The Group's adjusted net profit stood at €273.6 million, up 10.5% compared with the same period in 2020: a result that reflects, in addition to the positive EBIT trend, the benefits of the liability management transactions that led to an average cost of debt of around 1%.

As of 30 September 2021:

1,898 Gas concessions

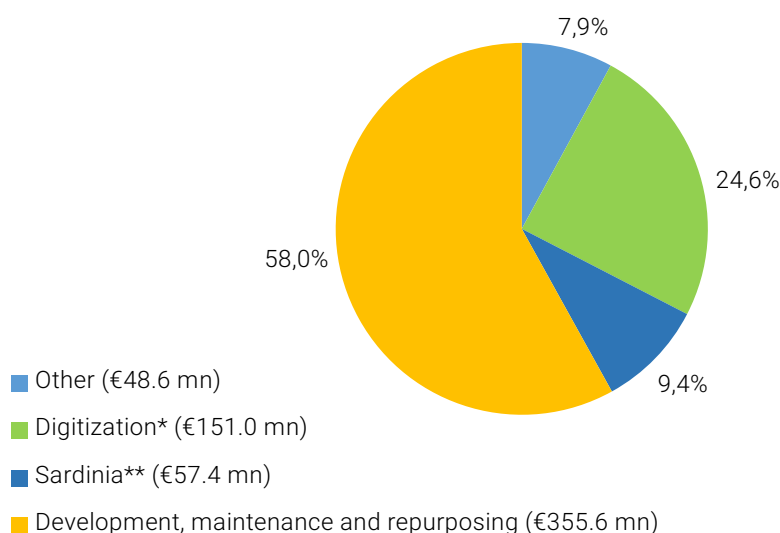
7.7 mln Active meters

74,106 km Length of gas distribution network

The strong cash flow generation covers most investments, which exceed €600 million

With a sharp increase in cash flow from operations (+21%), Italgas can fund the high level of capital expenditure and the distribution of 2020 dividends, while maintaining a solid financial structure.

9M 2021- CAPEX BREAKDOWN



During the first nine months of 2021, Italgas **investments** amounted to €612.6 million: 10.3% above the 9M 2020 Capex, which was €555.2 million. In the first nine months of 2021, Italgas laid down 545 km of new pipelines. In Sardinia, where the network reached 860 km, with the extension of additional 62 km in the period, Italgas has completed over 80% of the methanization plan. Investments in digitalization accelerated, with the installation of devices that enable the acquisition of data for the remote control and monitoring of network and plants. This type of investment also includes 645,000 new meters, 276,000 of which related to the replacement of traditional meters, if we exclude the affiliates.

Overall, there are 7.8 million smart meters installed as of 30 September 2021: a figure that represents 91.2% of the total number of meters and basically 100% of those in use.

The significant investments made in the first nine months of 2021 entirely absorbed the **Cash Flow from Operations**, which amounted to €533.7 million, up 21.0% compared to the first nine months of 2020, thus generating a negative **Free Cash Flow** of €57.1 million including IFRS16 effects. After the cash out for M&A (-€4.0m) and the distribution of FY2020 dividends (€241.4 million), the increase in Net Financial Debt was of €302.4 million. Considering then the impact of the initial debt of Isgastrentatré - a company controlled by Medea, whose capital was 100% acquired, in view of the merger - the **Net Financial Debt** of Italgas at the end of September 2021 stood at EUR 5,005.4 million, i.e., EUR 4,987.1 million excluding IFRS16 effects.

The Group has a **solid and efficient debt structure**, both for its maturity profile and the high concentration (94%) of fixed-rate debt, which ensures low exposure to interest rate volatility. In addition to its limited refinancing needs, Italgas can count on cash and cash equivalents amounting to a total of €676.0 million. The cost of debt, below 1%, is one of the lowest in the sector. In October 2021, Italgas also closed two three-year fixed-rate bank loans, linked to the achievement of sustainability targets, for a total amount of €500 million.

Both the two sustainability-linked loans and the inclusion in the MIB ESG Index are the outcome of the results that Italgas is achieving on its path to reach the 2027 targets set out in its Business Plan. Results also proven by the main ESG indicators that Italgas released for the first nine months of 2021:

ESG KPIs (Scope I and Scope II):

- 56,239 km of network inspected (+14.3%)
- Fugitive emissions/gas injected into the network: 0.092% (-4.1%)
- Fugitive emissions/km investigated: 105 Smc/km (-6.7%)
- km travelled by operative vehicles: 32,091 milioni km (+15.3%)
- km travelled by bifuel operative vehicles powered by CNG: 92%
- Grams of pollutants per km travelled by the car fleet: NOx (-5.6%), particulate matter (-22.6%)

Related Contents

Press Release

<https://www.italgas.it/wp-content/uploads/sites/2/2021/10/CS-Italgas-Approvati-i-risultati-del-terzo-trimestre-2021.pdf>

Presentation

<https://www.italgas.it/wp-content/uploads/sites/2/2021/10/2021-10-Italgas-9M-2021-final-pdf.pdf>

EXTERNAL RECOGNITIONS OF ITALGAS' ROLE IN SUSTAINABILITY

The ever-increasing attention paid by Italgas to sustainability, the ability to set itself ambitious goals, a strong governance and the constant commitment in respecting our people and stakeholders are reflected in the improved position in sustainability indices and ratings over the last few months. Noteworthy, among them, our first-time inclusion in the Dow Jones Sustainability Index Europe, in November 2021.

1. SUSTAINABILITY INDEXES AND RATINGS



The financial community is increasingly sensitive to environmental, social and ethical issues.

Socially responsible investors make their investment choices based not only on financial data, but also on non-financial assessments in the area of sustainability or Environmental, Social and Governance (ESG) performance.

To support their investment choices, these investors rely on the studies of specialized rating agencies, which make in-depth analysis of the solidity of company profiles and specifically of their sustainability, issuing an overall judgement, defined as **ESG rating**, and providing helpful tools in the definition of sustainable investment strategies. Based on the results of such analysis, the agencies themselves or third-party entities construct **sustainability indices that include the companies with the highest ratings resulting from the analytic process.**

This is a complex process, which rewards not only those who are able to meet the required criteria, but also those who know how to constantly challenge themselves. It is a continuously evolving process, and a good result achieved one year is no guarantee that the same result will be achieved the following year.

Italgas' strategy is strongly integrated with sustainability issues. In June, the group presented its 2021-2027 Strategic Plan, taking a substantial step forward in terms of its commitment to the environment. Specific initiatives have been identified **to reduce CO2 emissions by 30% and net energy consumption by 25%** in the 2020-27 period, on a like-for-like basis. At the same time, in the area of human resources management, the Group has committed to **doubling individual training hours by 2027 and have 60% of new resources hired under the age of 30.**

Moreover, Diversity & Inclusion issues are receiving increasing attention, through targeted initiatives and internal dissemination actions that count on the contribution of more than 150 ambassadors. And at the end of the Plan, at least one in four managers will be a woman.

2. MAIN RESULTS IN 2021

Sustainability Award
Bronze Class 2021

S&P Global

Sustainability Award
Industry Mover 2021

S&P Global



SUSTAINABILITY YEARBOOK INCLUSION

In February 2021, based on the results of 2020 CSA assessment, Italgas has been included in The Sustainability Yearbook 2021 and received the Bronze Class for its excellent sustainability performance. In addition to the above recognition, Italgas S.p.A. was also awarded the Industry Mover status, as the Company recorded the strongest year-over-year score improvement in its sector in 2020.

IMPROVEMENT OF VIGEO EIRIS RATING

In September 2021, Vigeo Eiris announced the new ESG score for Italgas, which improved from 50 out of 100 points in 2020 to 58 points out of 100. According to the rating agency, Italgas ranks 256th out of 4,930 companies in their universe, scoring above the industry average in the three macro-categories, Environment, Social and Governance.



INCLUSION IN THE MIB ESG INDEX

On 18th October, Italgas share was included in the MIB ESG Index, the first blue-chip index for Italy dedicated to Environmental, Social, and Governance (ESG) best practices by Borsa Italiana, part of the Euronext group. The MIB ESG Index, made operational by Euronext in collaboration with Vigeo Eiris (V.E., part of Moody's ESG Solutions), includes the most important Italian listed issuers that show the most effective behaviors within the three main parameters of corporate social responsibility.



INCLUSION IN THE DJSI EUROPE AND CONFIRMATION IN THE DJSI WORLD

On 12th November, Italgas was included for the first time in the Dow Jones Sustainability Index Europe and confirmed for the third consecutive year in the Dow Jones Sustainability Index World, proving that it is at the top of the world sustainability league. The two indices, managed by S&P Global, include companies that have distinguished themselves in Europe and worldwide on sustainability issues.

This year, the number of companies evaluated increased by 33% to 1,843 out of more than 5,300 companies invited thanks to their membership in any S&P ESG index. As of 12 November 2021, companies participating in the CSA assessment represent 45% of the global market capitalization of the S&P Global BMI (Broad Market Index), up from 32% in 2020.

Italgas achieved the highest score (90 points out of 100) in the GAS - Gas Utilities Industry sector out of 28 companies evaluated in the S&P Global Corporate Sustainability Assessment (score date: 12 November 2021), an improvement of 8 points compared to last year.



A RATING MEDAL FOR PUBLIC DISCLOSURE BY GLIO GRESB

In November 2021, Italgas was one of 19 companies to receive an A rating from GLIO GRESB for the quality of its ESG communication. This recognition was reflected in the Company's weight in the rebalance of the GRESB indexes.



A- RATING FOR THE FIGHT AGAINST CLIMATE CHANGE BY CDP (CARBON DISCLOSURE PROJECT)

On 7 December, for the fifth consecutive year Italgas was awarded recognition by CDP (Carbon Disclosure Project) for its commitment to combating climate change.



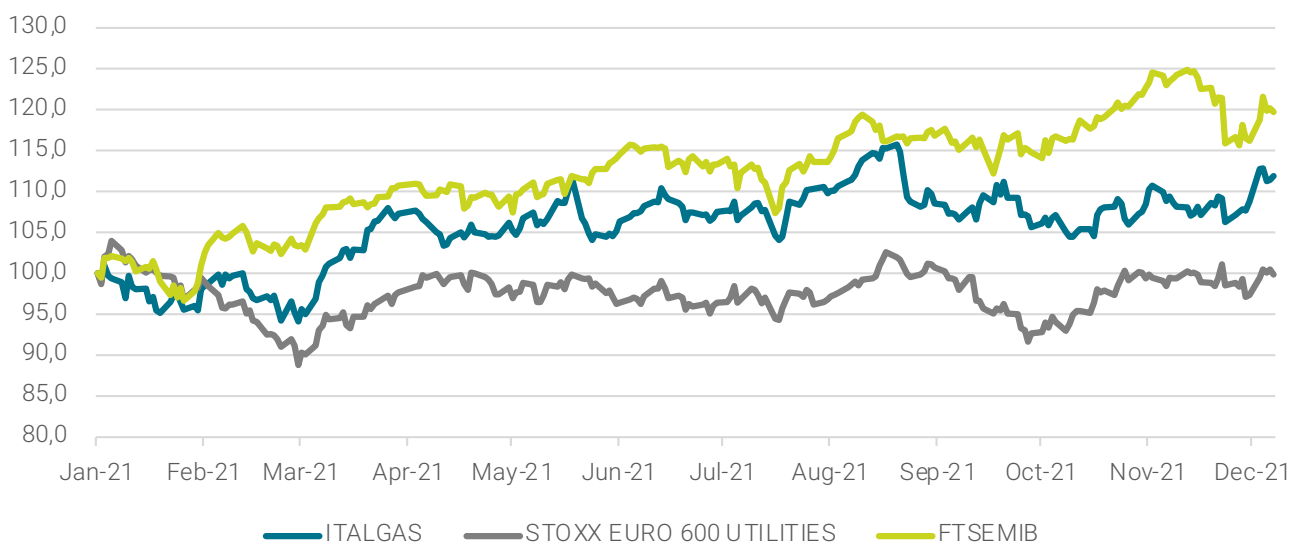
The Group was included in the "Leadership band" due to the improvement of its score to "A-" from "B" last year, in the "Climate change 2021" questionnaire. This score places Italgas above the European average and above the Energy Utilities Networks sector, both of which have a score of 'B'.

CDP is a non-profit organization that annually evaluates performance on climate change and environmental reporting. This year more than 13,000 companies worldwide responded to its questionnaires.

DOUBLE-DIGIT GROWTH FOR ITALGAS SHARES IN 2021

Since the beginning of the year, the indices of the main equity markets have rallied, driven by the prospects of an economic recovery from the pandemic. Italgas shares also posted a double-digit performance YTD (+11.9% as at 10 December), strongly outperforming the European utilities index (-0.1%). Despite several uncertainties the scenario, and regardless of the ongoing regulatory review, investing in Italgas shares offered the benefits of a clear defensive profile, solid fundamentals - also proven by Q3 results - and new, attractive perspectives of growth acceleration through M&A.

Italgas vs Stoxx Euro 600 Utilities e FTSEMIB (Base 4 January 2021=100)

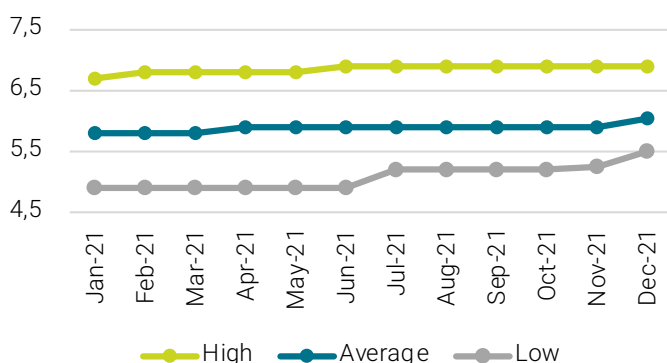


Official listing: **Euronext Milan**
 Segment: **Blue Chips**
 Type: **Ordinary shares**
 Index membership: **FTSE MIB, FTSE Italy All-Share, Euro Stoxx, Euro Stoxx Utility, Dow Jones Sustainability World, FTSE4Good**

Number of shares outstanding **809,768,354**
 ISIN code: **IT0005211237**
 Reuters code: **IG.MI**
 Bloomberg code: **IG IM**
 Price as of 10 Dec. 2021: **€5,8**

Market Cap as of 10 Dec. 2021: **€4.7 billion**
 Investor Relations Team:
Anna Maria Scaglia
Armando Iobbi
investor.relations@italgas.it

Brokers target price since 4 January 2021 (€)



The average target price of the 19 brokers who cover Italgas share is 6.04 euro. More than 60% of the analysts (12 out of 19) presents a target price equal or higher than 6 euro.

4. ITALGAS SHARE PRICE PERFORMANCE TO 10 DECEMBER 2021

Prospects of a sound economic recovery drove stock markets to new record highs in mid-November

Indices of the main equity markets reached new highs in mid-November, extending the uptrend that started from the lows of March 2020, when massive monetary and fiscal policy measures were announced. The success of the vaccination campaigns gave strength to the hope that economic activity would **quickly and fully reopen**, with expectations of **significant GDP growth**. The **earnings published by listed companies for the third quarter** largely confirmed the tangible benefits of the **ongoing recovery**.

Despite the correction in the second half of November and the broad volatility, equity markets kept a positive tone

The **new surge in COVID-19 infections**, together with the discovery of the new **omicron variant**, triggered a **sharp correction** in the second half of November, with cyclical stocks being heavily hit. However, in the most recent sessions, starting **on 6 December**, **markets inverted the route**, with indexes rebounding strongly and aiming to quickly regain previous highs, albeit with trading volumes that - as is typical - are relatively limited at the end of the year.

However, the market is still very volatile, with a number of **uncertainties** continuing to characterize the scenario: first and foremost, **inflation**, which, especially in the US where it is no longer considered transitory, is making **restrictive measures by central banks** increasingly likely. Investors are also concerned about disruptions in **supply chains**, which continue to weigh especially on the tech and automotive sectors.

Although financial markets now expect **GDP growth for the fourth quarter of 2021 to be weaker** than estimated before the new pandemic wave, **markets are visibly maintaining an underlying positive sentiment**.

The **hope of a full reopening and a continued recovery of the economy** is fueled by some early evidence, suggesting that the **omicron variant** is very easily transmissible but **less dangerous** than was initially feared. In addition, **new antivirals** have been announced to be available in early 2022.

Despite the uncertainties, **the abundant liquidity in the markets** therefore seems to continue to point to **equity investment as the best prospective return**.

Italgas share has enjoyed double-digit growth since early 2021, significantly outperforming the European industry index

At the closing of 10 December, the **Italgas share price increased by 11.9% since the beginning of 2021**, strongly **outperforming the Stoxx Euro 600 Utilities index (-0,1%)** over the same period.

Despite its defensive characteristics, appreciated during periods of uncertainty, the **European utilities sector was affected by worries of fiscal or regulatory tightening** aimed at containing the cost of energy for households, as commodity prices soared. These fears partly diminished in October, when the Spanish government decided to mitigate regulations aimed at neutralizing gas price increases against profits from renewables and nuclear power. On the other hand, the French government has recently limited its intervention aimed to fight rising electricity bills only through a reduction in indirect taxes.

Although Italgas' stock price performance was significantly higher than that of the sector index, it did not match that of the **FTSE MIB (+19,7%)**, the index of the Italian blue chips, which was mainly driven by the brilliant performance of the **banking sector**, which weighs heavily by capitalization.

Italgas share price has benefited from several driving factors

Also in recent weeks, the stock could count on the support of a number of **positive factors**.

- Firstly, the news that Italgas has been selected as a "**preferred bidder**" in the tender for the acquisition of **DEPA Infrastructure**: a piece of news that opens up new prospects for growth and earnings accretion, as well as a reduction in the regulatory risk profile via geographical diversification.
- Secondly, **in November, Italgas was included - for the first time - in the Dow Jones Sustainability Europe index** and was confirmed - for the third time in a row - in the **Dow Jones Sustainability World** index: a clear **opportunity for Italgas shares to enter new portfolios**, given the large number of asset managers that use the securities basket that composes these high-profile indexes as a benchmark. Another example of the advantages offered by a serious commitment to sustainability is the fact that in October Italgas was included in the **MIB ESG Index**, the first Italian blue-chip index dedicated to ESG best practices by Borsa Italiana, part of the Euronext group.
- Thirdly, between late November and early December 2021, **Moody's and Fitch confirmed their respective ratings on Italgas' debt**. In addition to referring to the good fundamentals, also evidenced by the third-quarter 2021 results, both agencies mentioned, among the reasons for maintaining the rating in the solid investment grade area, the good prospects that they expect from the acquisition in Greece.

The **19 analysts that cover Italgas** today have a **mean target price of 6.04 euro**. Of these, 12 have target prices of 6 euro or more. As of 10 December 2021, the majority of brokers' recommendations are positive (5 among Buy, Add or Accumulate) or neutral (13 among Hold, Market performer or Equal Weight).