

Italgas: acquisition from Veolia of the water concessions business unit in Italy completed.

Nepta is the new name of the company that will manage all the Group's water activities

The transaction confirms the Group's growth strategy in the water sector and will enable it to serve, directly and indirectly, 6.2 million citizens.

Milan, October 16, 2023 - Italgas finalized today the acquisition from Veolia Environnement S.A. Group of the business unit responsible for the concessions held in the water sector in Italy.

The acquisition, announced on 14 March, was finalized following clearance of the Granting Authorities.

With this transaction, Italgas launches its strategy to expand its presence in the water sector. As of today, the Group serves - both directly and indirectly - 6.2 million individuals, equivalent to approximately 10% of the Italian population

The name of the Group's company, which will now encompass all water-related activities, including the concessions in Caserta and its province, will also be changed to **Nepta**. This change is intended to emphasize the connection with the mythological world of water through a name that also echoes a reference to technology in line with the future of the networks entrusted to the Italgas Group.

Italgas CEO, Paolo Gallo, commented as follows:

"In a country that has negative records regarding the efficiency of water networks, with losses of over 40% up to peaks of 70%, a paradigm shift is needed, a different approach, based on the use of digital technologies, that allows the problem to be tackled proactively and effectively. Today begins another important chapter in our bicentennial history. Italgas becomes a key player also in the water sector and evolves increasingly towards the form of a «Network Tech Company». The technological breakthroughs achieved in the gas networks allows us to broaden our horizons to other sectors. This operation arises from the awareness that by leveraging our technologies and expertise in the water sector, we will be able to realize significant benefits, including enhanced service efficiency and a reduction in losses by 15% to 20% compared to current levels. This is a significant milestone for the communities served and a further boost for the sustainable development of the country we have been serving for 186 years".

For the purchase of the business unit, Italgas will be able to pay the Veolia Group a total of up to EUR 115 million (in terms of equity value), partly subordinated to the achievement of certain objectives of the operating companies.