



ACSM AGAM, ASPEM, AEVV, LARIO RETI HOLDING and A2A: guidelines for the business and corporate partnership project defined

MILAN 4 December 2017 - With reference to the route towards a business and corporate partnership between ACSM-AGAM, ASPEM, LARIO RETI HOLDING, AEVV and A2A (the “Parties”), which was studied and then formalized in a non-binding Memorandum of Understanding signed on 1 April, the expiry of which has been extended to 31 December 2017, it is announced that the study is continuing and the Parties have agreed on a technical document that sets out the possible guidelines for the transaction as well as the first valuations.

As already announced on 13 November by ACSM-AGAM, the operational steps to complete the aggregation include the merger by incorporation into ACSM-AGAM of ASPEM, AEVV, ACEL SERVICE, AEVV ENERGIE and LARIO RETI GAS and, thereafter, the reorganization of the business companies by means of transfers to companies already existing in the Group or newly established ones. The aggregated entity would act as one listed player, in which the public has a majority holding, supported by a solid business partner with a national profile. The provisions of the Bylaws and governance details are currently being defined, also to take into account the shareholders’ objectives. The Bylaws and Shareholders' Agreement will enable A2A to consolidate the aggregated entity.

The structure of the transaction, as outlined and planned, provides for a preliminary step, due to take place in December, which would involve the Municipal Councils adopting a policy resolution, and at the same time making technical document available to the municipal councillors containing, inter alia, prospective information on the economic and financial forecasts of the post-aggregation entity.

In order to guarantee full disclosure to the market, the following information is provided, it being understood that it is preliminary and still subject to verification.

The preliminary study and relative feasibility valuations, implemented with the support of the business, financial and legal advisor PwC, allow us to hypothesise that, in view of the expectation of being awarded gas distribution ATEMs and development in both traditional businesses and more innovative ones, after the transaction ACSM AGAM could, by the end of the plan (2021), generate an estimated EBITDA of between around € 90 million and € 120 million, ensuring the strong deployment of initiatives in the regions with an assumed investment plan in the 2017-2021 period raising up to around € 500 million, depending on the results of gas distribution tenders.

The projections for the net result of the aggregated entity envisage a dividend policy with potential growth.

It is deemed appropriate to point out that the provisional information given is preliminary in view of the type of business and the tender and natural competition contexts in which the reference markets operate. This provisional data, moreover, derives from a non-homogeneous basis for



calculation in that the Parties are at present subject to accounting standards that are not uniform with each other.

It is also pointed out that the data has not yet been subject to a resolution of the Boards of Directors of ACSM-AGAM and A2A in that it is still preliminary. In this regard, ACSM-AGAM confirms the validity of the business plan presented to the market on 13 November 2017 in the event that the transaction described does not go ahead.

Finally, note that as of today no binding contract has been signed and therefore there is no certainty about the completion of the transaction, which must be approved by the Municipal Councils concerned as well as by the relevant corporate bodies of the parties involved, including the Related Parties Transactions Committee of ACSM-AGAM, which shall provide its opinion on the transaction, and always prior to completion of the due diligence activities, which are still in progress, and the delivery of the fairness opinions by its advisors; as far as A2A is concerned, the same shall assess whether to avail of the exemption under article 14 of the Consob Regulation on related parties transactions.

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