

## PRESS RELEASE

### **Padania Acque: loan from pool of banks led by Intesa Sanpaolo. 134.5 million euro for the Integrated Water Service in the province of Cremona**

Cremona, 30 March 2021 - **Padania Acque** entered a **134.5 million euro** loan agreement with a pool of eight banks led by **Intesa Sanpaolo**, which acted as lender and agent bank. The fully amortising loan matures in December 2037 and does not involve the use of shareholder guarantees.

The financing agreement recently concluded by the integrated water service operator of the Province of Cremona will therefore be used to support the 80 million euro in investments planned until 2023 and the 500 million euro overall planned until 2043 in the Economic and Financial Plan, which was unanimously approved in December 2020 by the Shareholders' Meeting. Padania Acque's Plan is one of the first in Italy to be financed under the new MTI-3 rates calculation method which was recently updated by the Regulatory Authority for Energy, Networks and the Environment (ARERA) for the four-year period 2020-2023. The transaction is also unique within the sector in terms of its duration and financial structure.

The pool of banks that financed the transaction comprises Intesa Sanpaolo, UBI Banca (Intesa Sanpaolo Group), Banco BPM, Crédit Agricole Italia, MPS Capital Services Banca per le Imprese, Credito Padano Banca di Credito Cooperativo, Credito Valtellinese and Cassa di Risparmio di Bolzano-Sparkasse, all of which take part in various stages of the loan.

Padania Acque's top management was directly involved in structuring the transaction: Chairman **Claudio Bodini**, CEO **Alessandro Lanfranchi**, and General Manager **Stefano Ottolini**.

"Our water supply network - said Chairman **Claudio Bodini** - is of inestimable value and needs to be protected, made more efficient and maintained every year. For this reason, our company and all the municipalities in the province invest tens of millions of euro every year in systems to improve the quality of our water (which is among the best in Europe) and to ensure its purification in an environmentally friendly manner. Every year Padania Acque invests 80 euro per inhabitant; this is close to the European average of 100 euro, but much higher than the Italian average of 40 euro. At the same time, we have one of the lowest rates in Europe: 1.60 euro/1,000 litres compared to 6 euro/1,000 litres in Berlin - a sign of efficient management and a solid economic reputation."

"This financial transaction - commented CEO **Alessandro Lanfranchi** - allows us to capitalise on the trust of the lending institutions, acknowledging the high quality work that men and women perform every day in Padania Acque to serve the Cremona area. The high environmental content of the investments will also help us achieve sustainability objectives, which are essential for safeguarding water resources and are in line with the commitments of the UN 2030 Agenda.

This is funding for sustainable investments, provided to a public sector operator able to develop a business plan that is highly focused on quality and efficiency".

The General Manager of Padania Acque, **Stefano Ottolini**, expressed his great satisfaction: "The pool of banks supporting us is very representative of the national banking sector. Together with them we have structured a transaction which, so far, is unprecedented in the Italian water sector, particularly in terms of its duration, but also for the way it is structured. At the same time this is a customised project, designed, conceived and built around the fundamentals and needs of Padania Acque".

"With this transaction Intesa Sanpaolo, and its subsidiary UBI Banca, confirm their continued support for Italian businesses, particularly in such a fundamental sector, demonstrating their willingness to support their sustainable development and growth". These were the words of **Michele Sorrentino**, Head of Network Italy in the Global Corporate Department - IMI CIB Division of Intesa Sanpaolo. "Thanks to the financing agreement signed a few days ago, Padania Acque will be able to continue its virtuous investment plan, further improving the quality of the integrated water service for the benefit of the citizens of its region".

The law firm **Legance Avvocati Associati** coordinated all the legal aspects of the transaction, assisting Padania Acque and the pool of banks in drafting, negotiating and finalising all the financial documentation. **Agenia**, the industrial and financial advisor, prepared the economic and financial plan underlying the loan transaction.

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**Intesa Sanpaolo** is the leading Bank in Italy and one of the soundest and most profitable banks in Europe. It offers commercial, corporate investment banking, asset management and insurance services. The Intesa Sanpaolo Group has approximately 14.7 million customers in Italy who are assisted through both digital and traditional channels. It also has 7.1 million international customers which it serves through its commercial banking subsidiaries present in 12 countries in Central-Eastern Europe, the Middle East and North Africa, and through an international network dedicated to corporate customers in 26 countries. Intesa Sanpaolo is considered one of the most sustainable banks in the world. For the Group, creating value means being a driver for growth, for the benefit of both society and the economy. As regards the environment, the Group has set up a 6-billion-euro fund for the circular economy. Intesa Sanpaolo supports major economic inclusion and poverty reduction projects, including an impact fund of 1.5 billion euro for loans available to social groups who struggle to access credit. Intesa Sanpaolo has a high level of involvement in cultural initiatives, organised by the Bank or in collaboration with other entities in Italy and further afield. These include permanent and temporary exhibitions showcasing the Bank's impressive artistic heritage at the Gallerie d'Italia, the Group's museums located in Milan, Naples, Vicenza and soon Turin.

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**Padania Acque S.p.A.** is, for the province of Cremona, the sole integrated water service provider and directly oversees all phases of the industrial process, including the extraction of water from underground aquifers, its purification and distribution, the management of the sewerage network, the collection of waste water and purification. The company was founded in 1953 as the "*Consorzio per l'acqua potabile nei Comuni della Provincia di Cremona*" (Consortium for drinking water in the municipalities of the Province of Cremona) to build aqueducts and sewerage networks after the Second World War. It then was transformed into a joint-stock company with majority public capital in 1995. Padania Acque serves 160,000 users in 113 municipalities with 350,000 inhabitants; it manages 68 aqueducts, 237 extraction wells, 76 drinking water plants, 104 purification plants and a network of 4,500 kilometres. The company plans to invest 500 million euro by 2043, the year the service authorisation period ends. Padania Acque is one of the founders of Water Alliance - Acque di Lombardia, a network of 13 water companies in Lombardy, with a combined turnover of approximately one billion euro serving eight and a half million inhabitants. Padania Acque supports solidarity projects and since 2015, through Fondazione Banca dell'Acqua Onlus, offers the possibility to insolvent customers, only when they are delinquent through no fault of their own, to perform socially relevant activities which can be converted into the supply of water to compensate for unpaid bills.

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