

PRESS RELEASE

ASTEA GROUP: INTESA SANPAOLO AND POOL OF BANKS SUPPORT THE CONSTRUCTION OF EN ERGON'S INNOVATIVE BIOMETHANE PRODUCTION PLANT

- **The €24 million of financing is intended for the construction of a plant in Ostra (AN) for the production of biomethane from the treatment of domestic organic waste, in view of full circularity and environmental sustainability.**
- **The plant, the only one of its kind in the Marche region, will have the capacity to treat most of the organic waste in the province of Ancona.**
- **Intesa Sanpaolo provided support in the deal as *Sustainability Coordinator* and financing bank together with the BCC Iccrea Group, with BCC Banca Iccrea, Banca di Filottrano and Banca di Credito Cooperativo di Recanati e Colmurano.**

Milan/Ostra (AN), 20 January 2022 - **En Ergon, an Astea Group company** operating in the integrated water service, energy production, district heating, waste treatment and gas distribution sector in Italy's Marche region, has signed a financing agreement for an amount of **€24 million** aimed at the construction in Ostra (AN) of the innovative plant for the production of biomethane from domestic organic waste.

Intesa Sanpaolo provided support in the deal as *Sustainability Coordinator* and financing bank together with the **BCC Iccrea Group**, with the contribution of BCC Iccrea Banca, Banca di Filottrano and Banca di Credito Cooperativo di Recanati e Colmurano, while **Loan Agency Services** acted as Agent.

The plant, designed with a view to environmental sustainability and in line with the principles of the circular economy, will allow the treatment of waste of biological origin and the anaerobic management of OFMSW (the organic fraction of municipal solid waste, commonly called "wet", originating from separate collection), with production of biomethane and mixed compost for uses in animal husbandry and nurseries. The project, already 80% completed, is the only one currently authorized for the treatment of OFMSW in the Marche region and has the capacity to treat most of the organic fraction from the province of Ancona.

The financing features a pricing mechanism tied to the achievement of decarbonisation targets and will ensure certain levels of biomethane and compost production on an annual basis.

For Astea, the construction of the biomethane plant in Ostra not only represents a fundamental step towards the achievement of European and national targets for the increase of energy from renewable sources, but also the most emblematic, tangible sign of its "twofold" commitment that has always combined the fight against climate change with the welfare and development of local communities.

The company, which has a strong capitalisation that reached €110 million in the 2020 financial statements, has always invested in the quality and innovation of its plants. In its last sustainability report, investments reached €14.5 million, destined both for the construction of the Ostra plant and for the renewal of its networks. The anaerobic digestion and composting plant, authorised to treat 32,500 tons per year of OFMSW and 12,500 tons of "green" (clippings and prunings), will produce about 3,000,000 cubic metres of biomethane a year, about 7,000 tons of compost per year and about 2,000 tons of nitrogen fertilizer per year. An extraordinary opportunity with a wealth of environmental, social and economic benefits for the local community and the planet.

On a technical level, the treatment, carried out through a biological fermentation process, will take place in closed anaerobic digesters. During the fermentation, process biogas will be released from the organic matter which will then be collected, converted into biomethane through an upgrading process and then fed into the grid. Once the fermentation process is completed, the treated and dried organic product (digestate) will be converted into soil and quality fertilizer that can be used in agriculture.

The part of the transaction financed by Intesa Sanpaolo was concluded by **Intesa Sanpaolo's IMI Corporate & Investment Banking Division**, led by **Mauro Micillo** with the support of the Circular Economy Desk of **Intesa Sanpaolo Innovation Centre**, a company dedicated to innovation and to the spread of circular economy.

"We are particularly pleased to have supported the completion of the En Ergon plant," commented Michele Sorrentino, Head of Network Italy in the IMI Corporate & Investment Banking Division of Intesa Sanpaolo. "The project is highly relevant to the Marche and Ancona regions in particular, in a sector such as separate collection and recycling of waste with significant environmental impacts. Intesa Sanpaolo has long embraced issues related to the circular and green economy, providing companies with access to funding dedicated to the circular economy."

"The Ostra initiative, in addition to being a virtuous and cutting-edge model, able to respond to the stringent needs of our local communities, represents, quite simply, the triumph of the circular economy, where the waste produced in an area generates green energy for the same area that has produced the waste. A local microcosm perfectly reproducible on a large scale in which urban ecosystems and agriculture of the future herald a society and an economy that will transition from 'carbon-emitting' to 'carbon-absorbing'," said Massimiliano Belli, General Manager of Astea SPA and Director of the company En Ergon, "not to mention the multifaceted social and occupational knock-on effect, capable of creating new jobs."

The banks were assisted by the law firm Legance Avvocati Associati.

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About Intesa Sanpaolo

Intesa Sanpaolo is a wealth management & protection company, Italy's leading bank and one of the most solid and profitable bank groups in Europe. It offers commercial, corporate investment banking, private banking, asset management and insurance services. The Intesa Sanpaolo Group has approximately 13.5 million customers in Italy and 7.1 million customers abroad through commercial banking subsidiaries in 12 countries in Central-Eastern Europe and Middle East and North Africa as well an international network to support corporate customers across 25 countries. Intesa Sanpaolo is recognized as one of the most sustainable banks in the world and is committed to becoming a reference model in terms of sustainability and social and cultural responsibility. Intesa Sanpaolo supports major economic inclusion and poverty reduction projects, including a €1.5 billion impactfund for loans to social groups who struggle to access credit. The Group has a €6 billion fund dedicated to the circular economy. The Group is also deeply involved in cultural initiatives in Italy and further afield, with the aim of preserving, promoting and sharing Italy's historical and artistic heritage, also thanks to permanent and temporary exhibitions hosted at the Gallerie d'Italia, Intesa Sanpaolo's museums located in Milan, Naples, Vicenza and, soon, Turin.

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About Astea

The Astea Group was founded in 2003, from the merger of two companies from the Marche region, AST Spa of Recanati and ASPEA Spa of Osimo, both with long histories. The shareholding structure includes the partner Centro Marche Acque, a wholly public company, and the industrial partner GPO, a consortium of companies chosen by means of a public tender, the majority of which is owned by IREN Spa.

The Astea Group operates in the management of integrated water service, gas distribution, production and distribution of electricity and heat for district heating, public lighting, as well as the management of environmental services and urban waste treatment with a pool of customers located between the provinces of Ancona and Macerata. The construction of an important and innovative plant for the production of biomethane and compost is an important step towards the achievement of a "circularity" in the management of the domestic organic waste cycle.

The Group's total turnover in 2020 was more than 43 million Euros against more than 24 million euros in investments, of which 14.5 million euros were spent during the year for the construction of the biomethane plant owned by the Group company En Ergon.

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