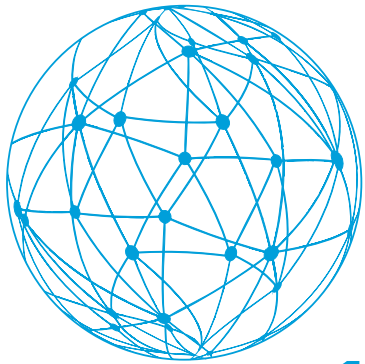




Strategic Plan 2021-30 Update

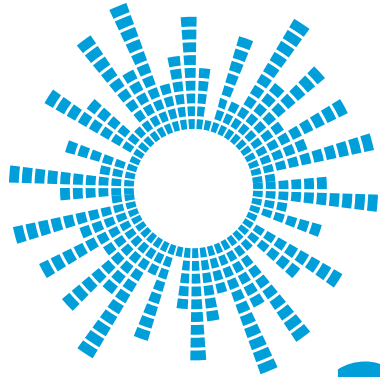
TOWARDS GREEN AUTONOMY

23rd November 2022



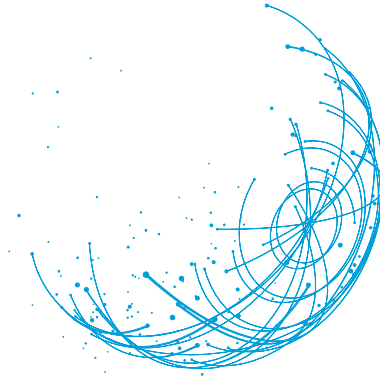
1

CIRCULAR
ECONOMY AND
ENERGY
TRANSITION



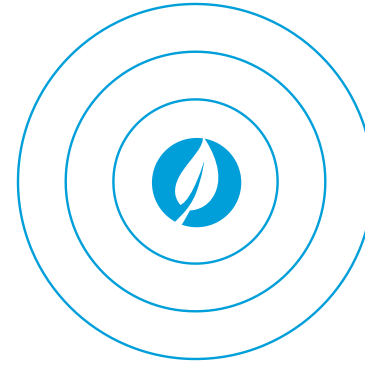
2

OUR RESILIENCE



3

FINANCIALS



4

OUR ESG
COMMITMENT



5

CLOSING
REMARKS

A2A. LIFE COMPANY



WE CARE ABOUT LIFE. AND PEOPLE.

We at A2A are a **Life Company**, because **life** and its quality are at the heart of everything we do in the spheres of our work with **energy**, **water** and the **environment**.

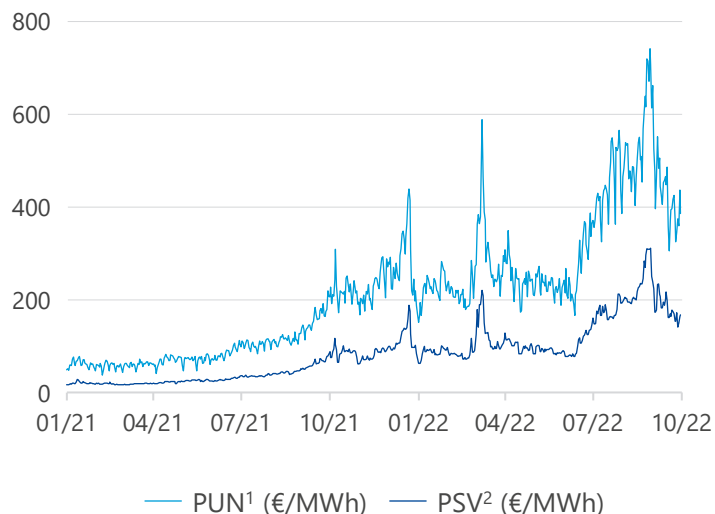
We support **families** and **businesses**, driving the **sustainable growth** of the country. Our idea of growth is based on respect for the environment, social equality and inclusive development.

Because we look far ahead, thinking of **everyone's future**.

IN 2022, WE FACED A VOLATILE AND COMPLEX ENVIRONMENT...

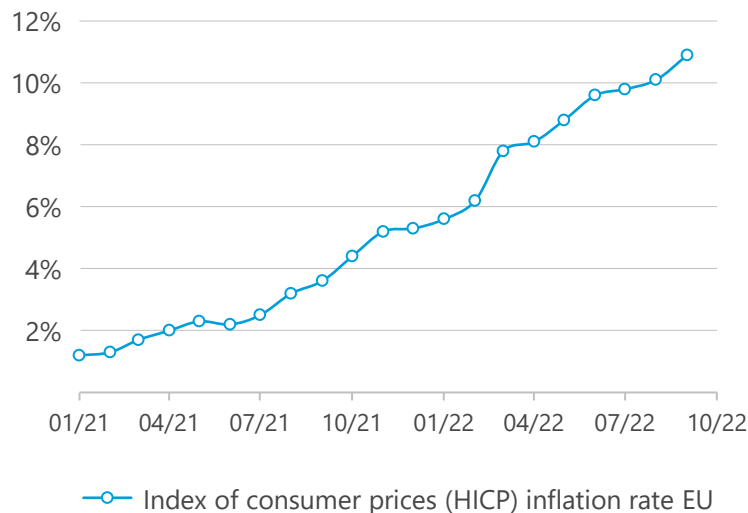
~700 €/MWh

Electricity price,
peak reached in August 2022



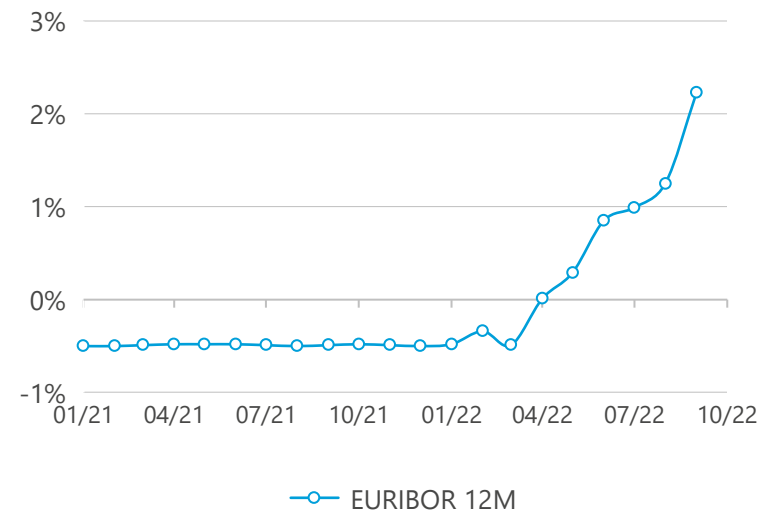
~10%

Euro area inflation,
recorded in July 2022



>2%

Euribor 12M rate,
recorded in September 2022



...WITH POSITIVE TRENDS STRENGTHENING OUR STRATEGIC PILLARS

EU POLICIES

Push towards **decarbonization** thanks to **EU-wide policies**



DECEMBER 2019

● GREEN DEAL

MAY 2020

● NEXT GEN. EU

JULY 2021

● FIT-FOR-55

MAY 2022

● REPOWER EU

ADMINISTRATIVE SIMPLIFICATION

New decrees to speed up the **construction of infrastructures** at a national level



Light
procedures



for PV plants
up to 20 MW

Single Simplified
Model



for PV <200kW
on rooftops

Biomethane
incentives



up to 40% of
the investment

ENERGY AUTONOMY¹

Leveraging **all available resources** to unlock the **unexploited potential of renewables** in Italy



SUN



Photovoltaic
+100 GW

WIND



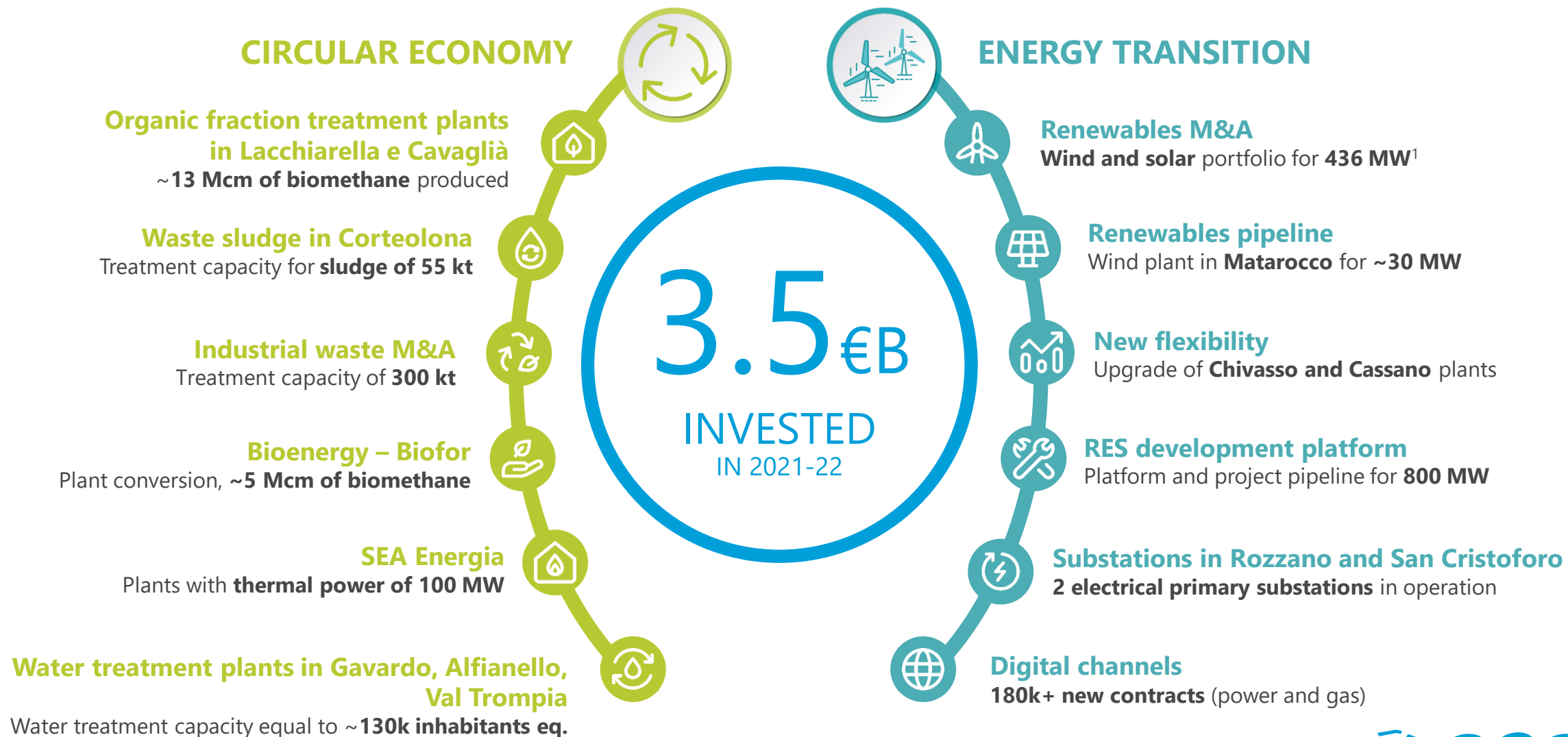
Wind power
+20 GW

WATER



Hydroelectric
+3 GW

10-YEAR PLAN: STRONG EXECUTION IN THE FIRST TWO YEARS



CONTEXT SUGGESTS A MORE CAUTIOUS APPROACH IN THE SHORT TERM

Short-term IMPACTS on A2A Strategic Plan



Supply costs

Rising inflation and geopolitical instability leading to a price increase of both raw materials and components



Net working capital

Higher net receivables and customers' instalment plans



Interest rates & financial expenses

Increasing cost of debt

OUR FLEXIBILITY ALLOWS US TO STAY ON TRACK WHILE MANAGING RISKS...



Circular Economy and Energy Transition still the main pillars of our strategy

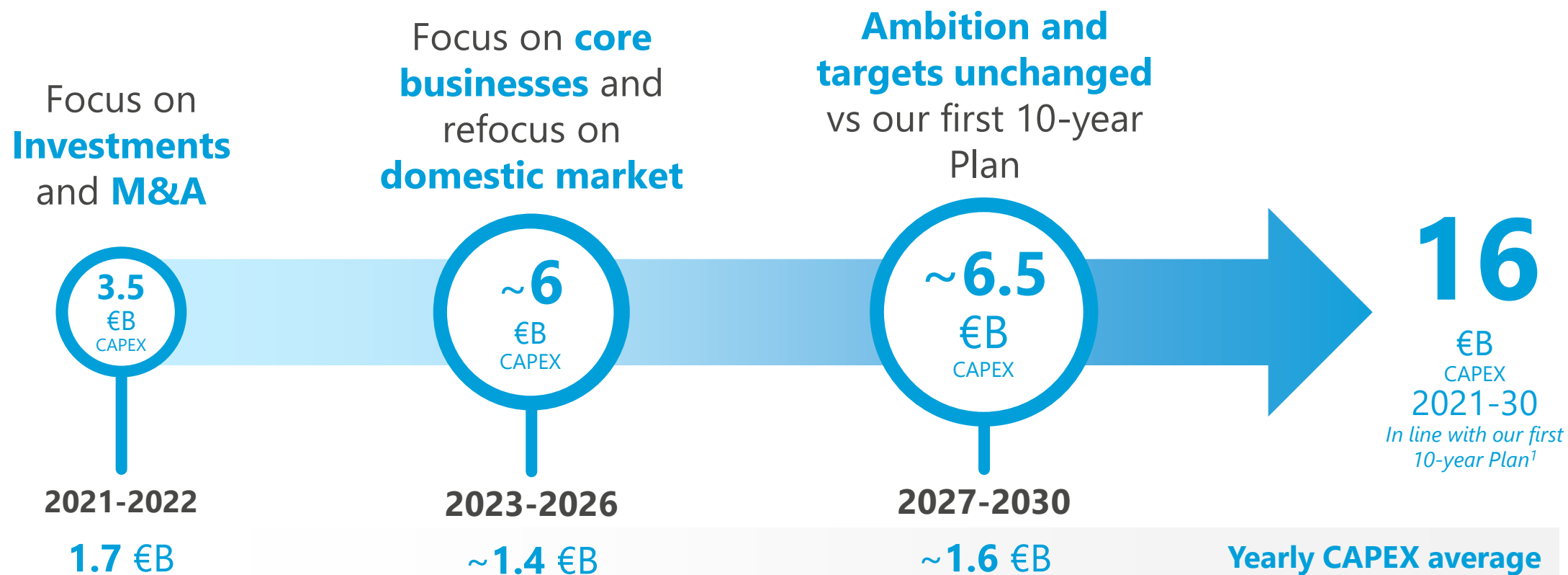


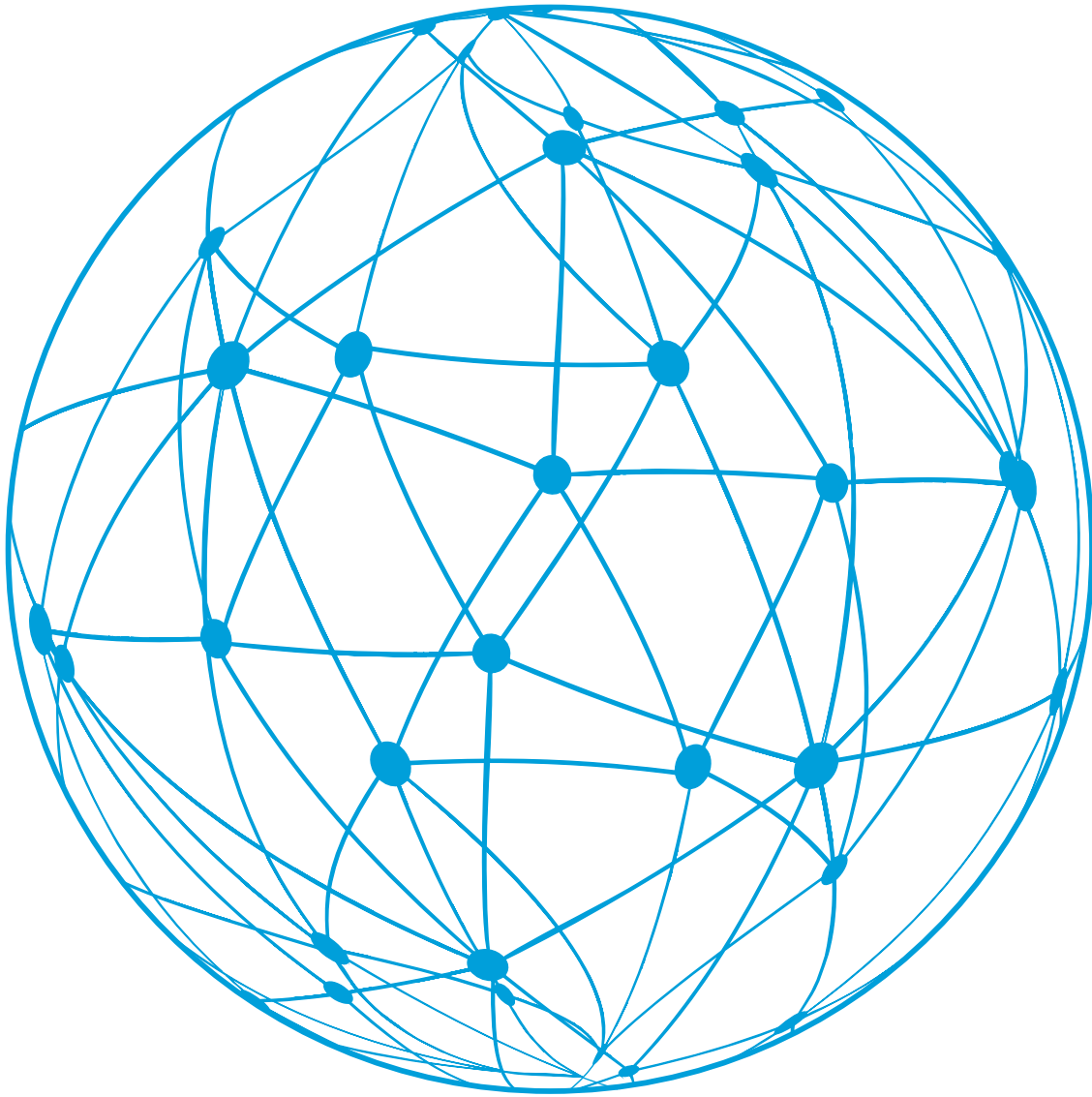
Strategic growth focused on our **core businesses** in the **domestic market** mostly through **organic growth**



Due to the **current environment**, we adopted a **flexible approach** on investments and financial indicators

...CONFIRMING OUR 10-YEAR TARGETS WHILE RESHAPING INVESTMENTS





1

CIRCULAR ECONOMY AND ENERGY TRANSITION

CIRCULAR ECONOMY AND ENERGY TRANSITION TO DECARBONIZE MOLECULE AND ELECTRON

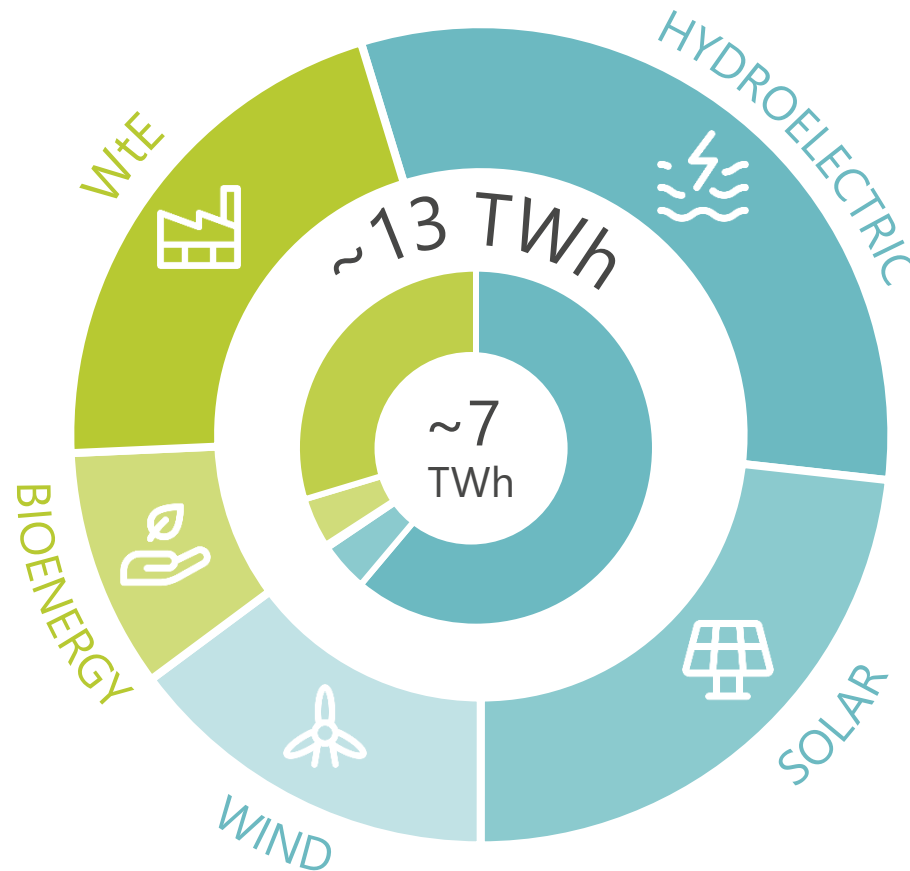
Green energy production and energy recovery | 2021 vs 2030



Circular economy

Electricity and thermal production from **WtE**¹

Production from **bioenergy**²



Energy transition



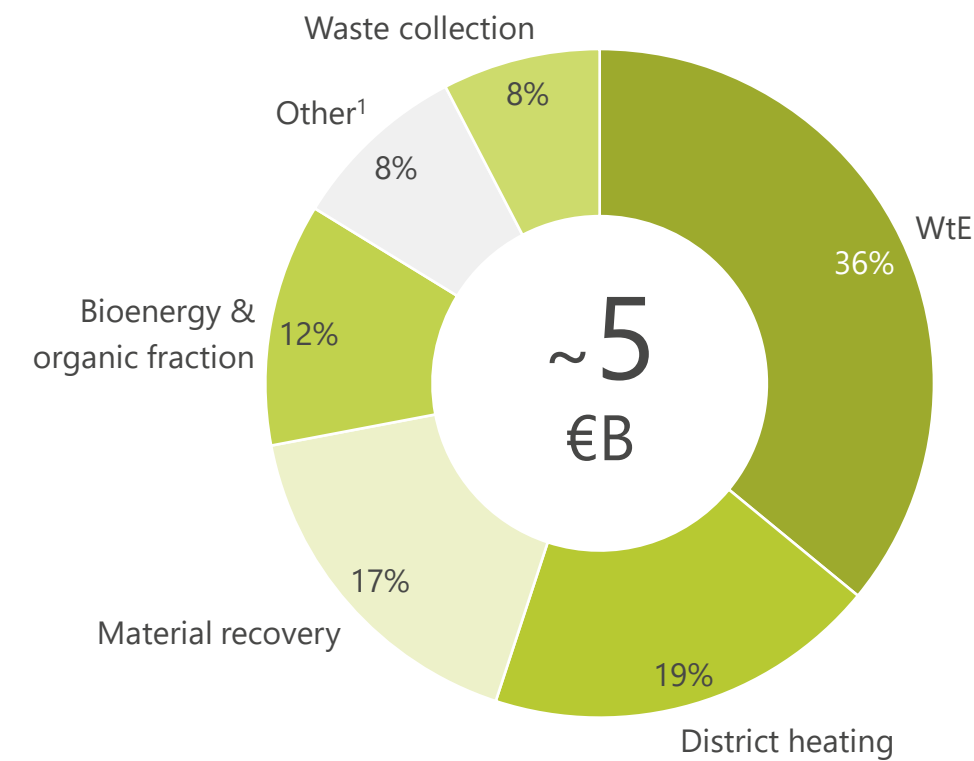
Production from **hydro**

Production from **solar**

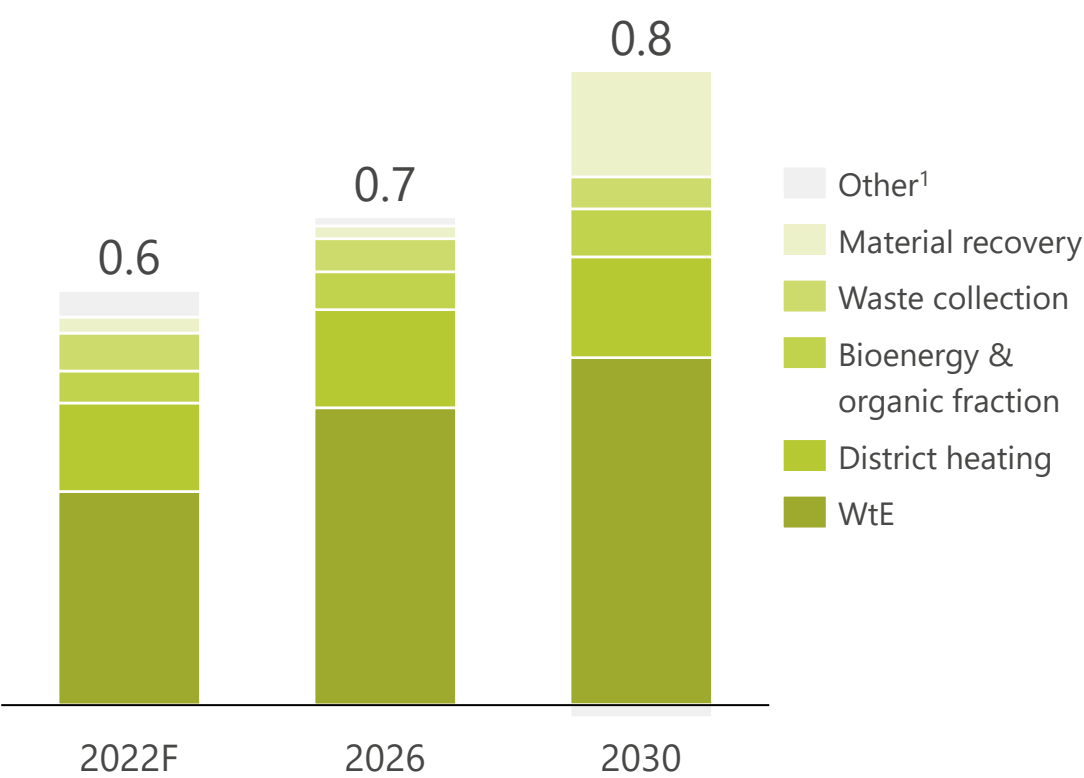
Production from **wind**

~5 €B INVESTMENTS IN CIRCULAR ECONOMY

Cumulative CAPEX 2021-30 | €B

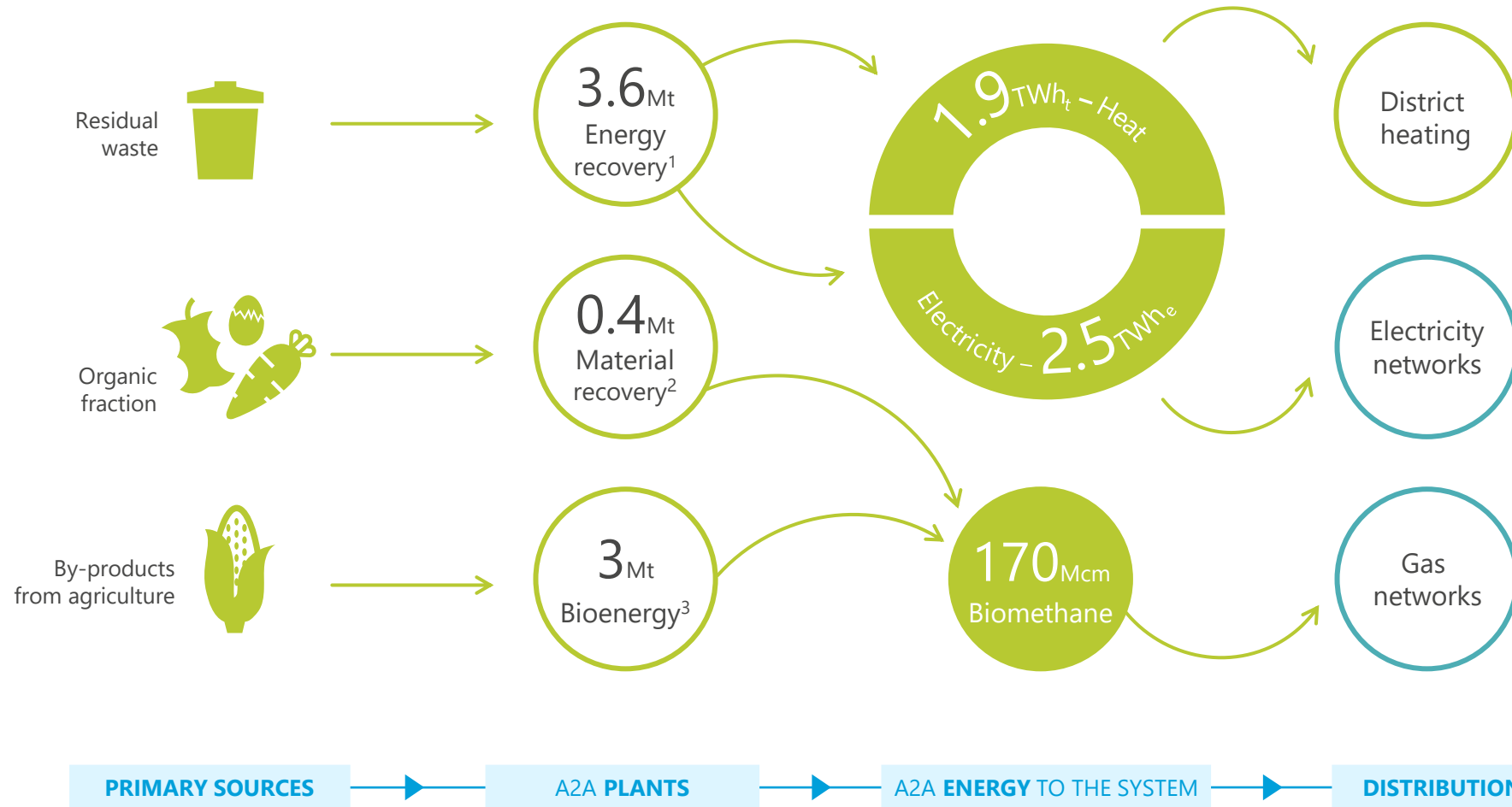


EBITDA | €B

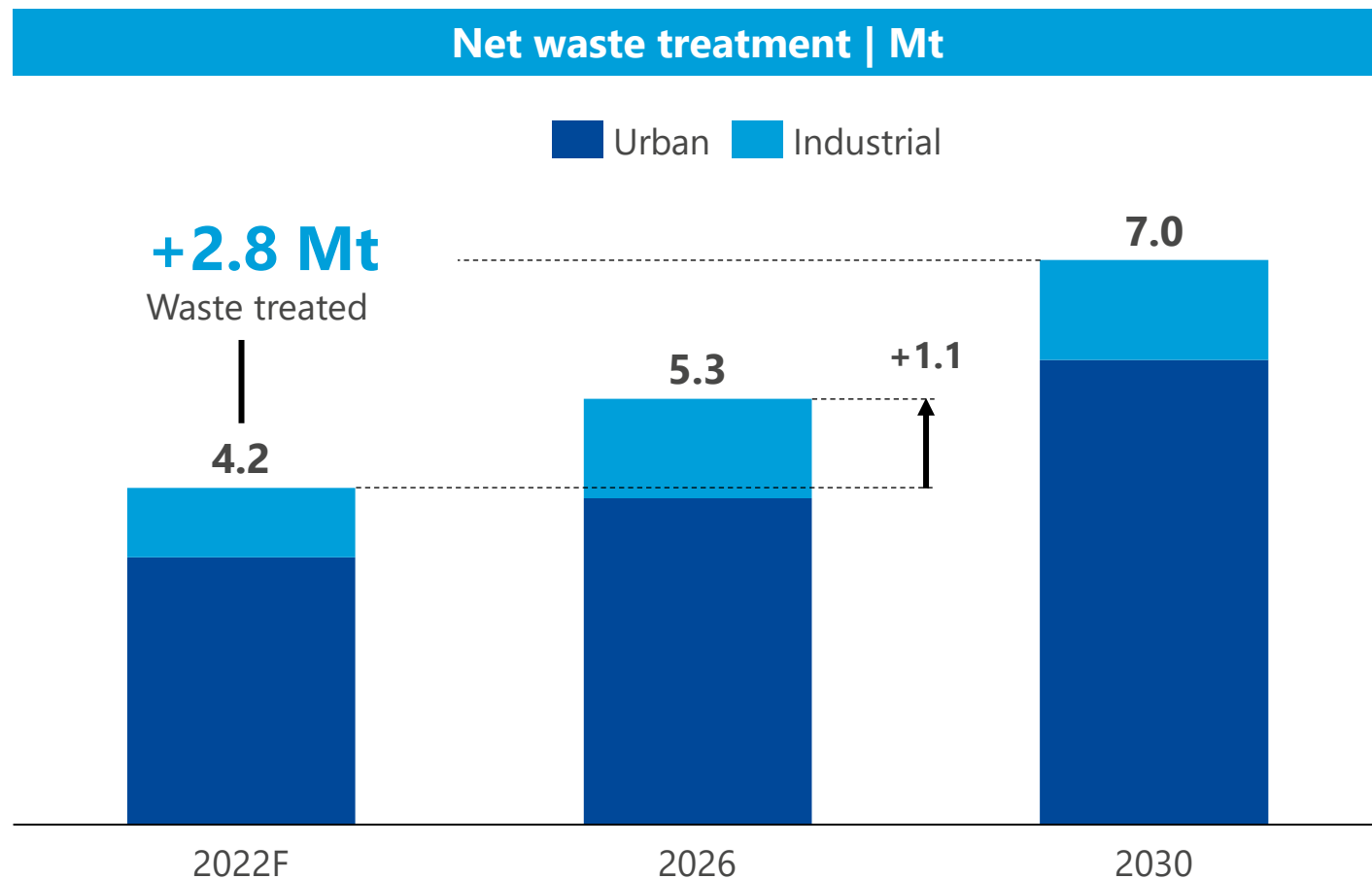


NEW PLANTS TO RECOVER HEAT, ENERGY AND GREEN GASES FROM WASTE AND BY-PRODUCTS

RESULTS @
2030



STRENGTHENING OUR LEADERSHIP IN WASTE TREATMENT NATIONWIDE



Top-ranked player
Waste treatment
in Italy

45%

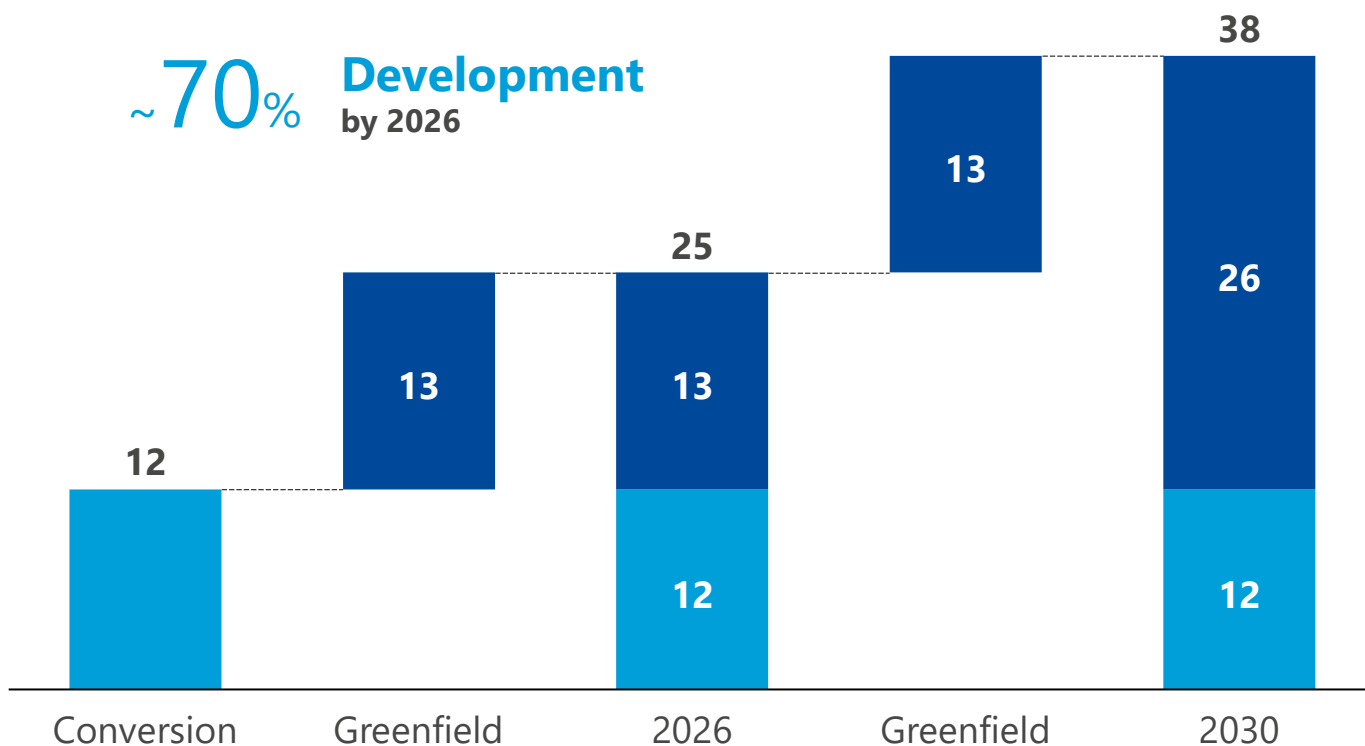
Urban WtE
Market share¹
@2021

10%

Industrial WtE
Market share²
@2021

INCREASING BIOMETHANE PRODUCTION THROUGH BIOGAS PLANT CONVERSIONS AND GREENFIELD DEVELOPMENT

Bioenergy growth | # plants



Third-ranked player
Bioenergy in Italy

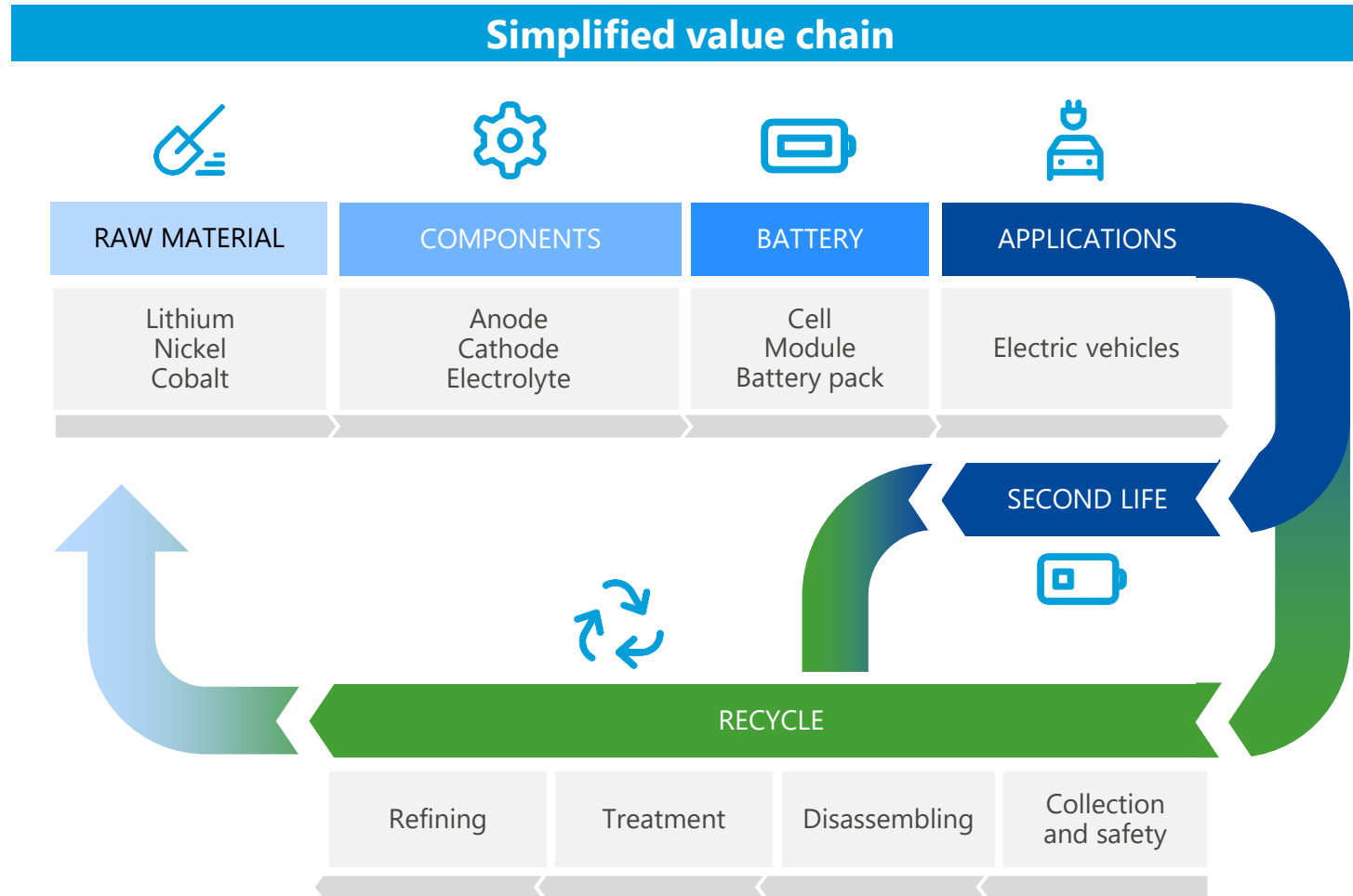
170
Mcm

Biomethane produced¹
@2030



Partnership
with leading technology provider

RECYCLING OF LI-ION BATTERIES BY EXPLOITING OUR LEADERSHIP IN CIRCULAR ECONOMY



Li-ion
battery treatment
using various chemistries

~10
kt/y

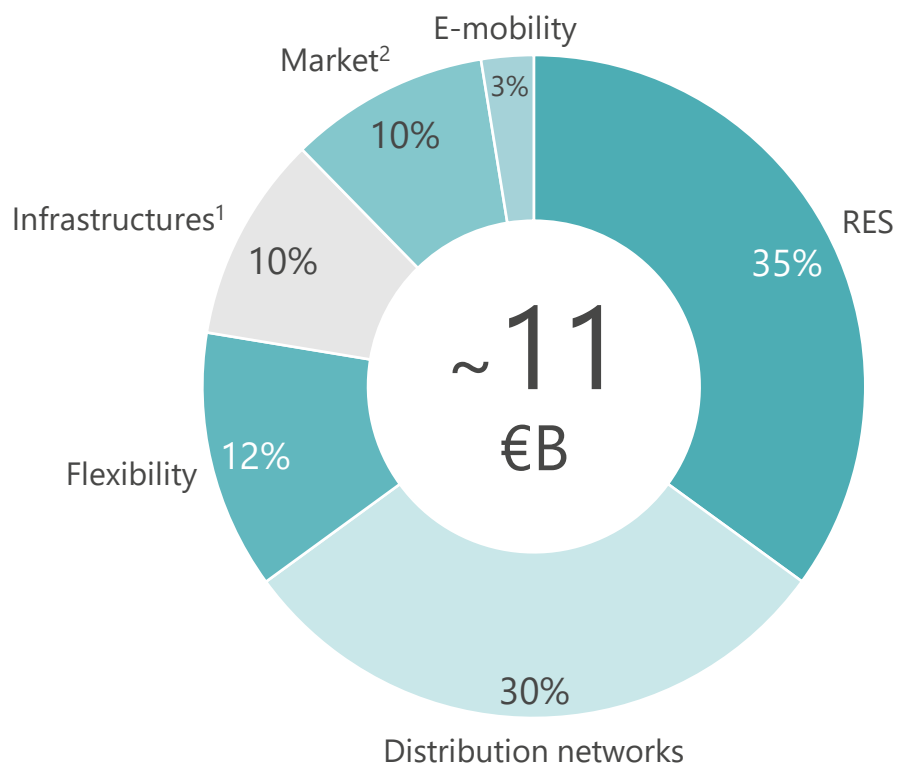
Batteries
treatment
@2030

~4
kt/y

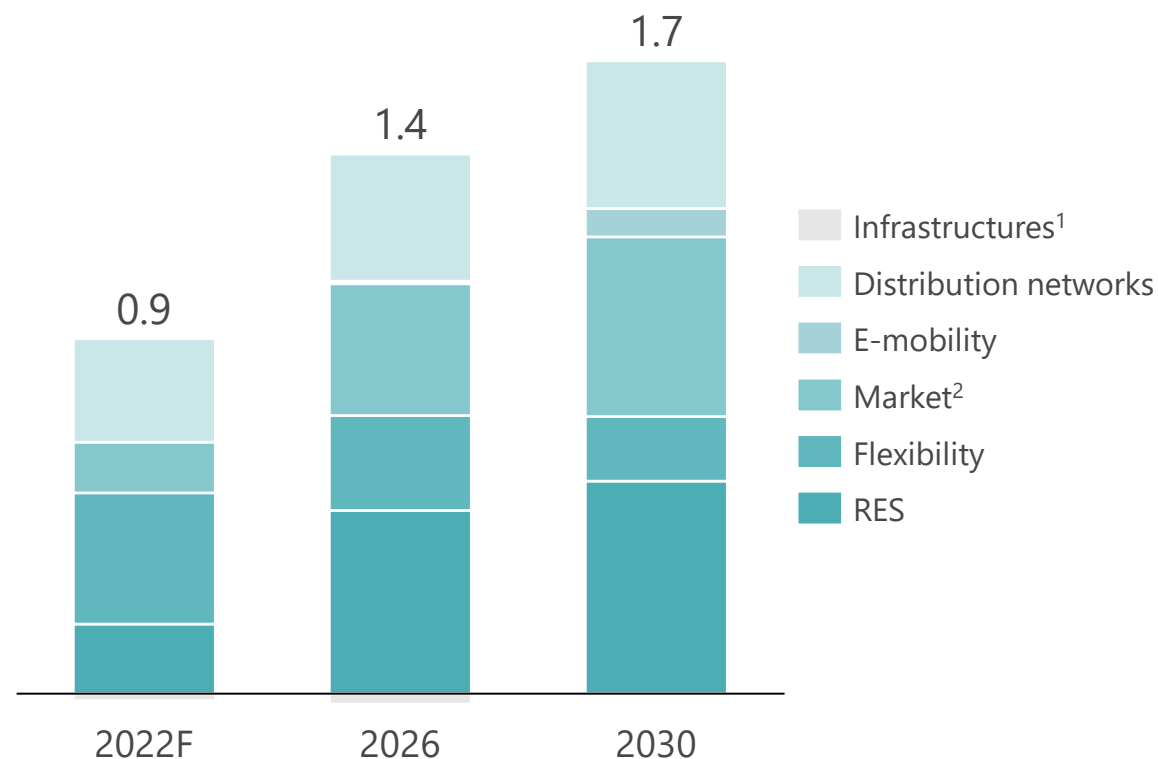
Black mass
recovered
at the end of the process

~11 €B INVESTMENTS IN ENERGY TRANSITION

Cumulative CAPEX 2021-30 | €B

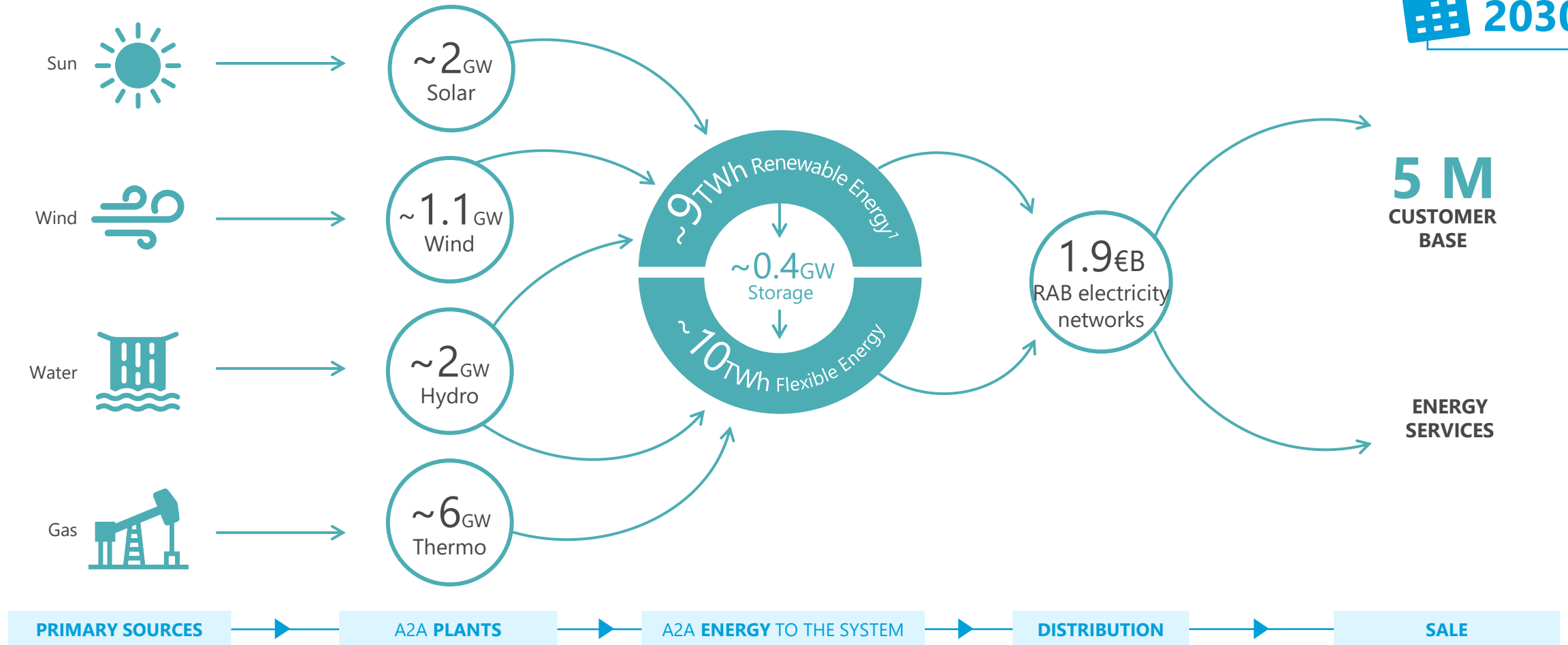


EBITDA | €B

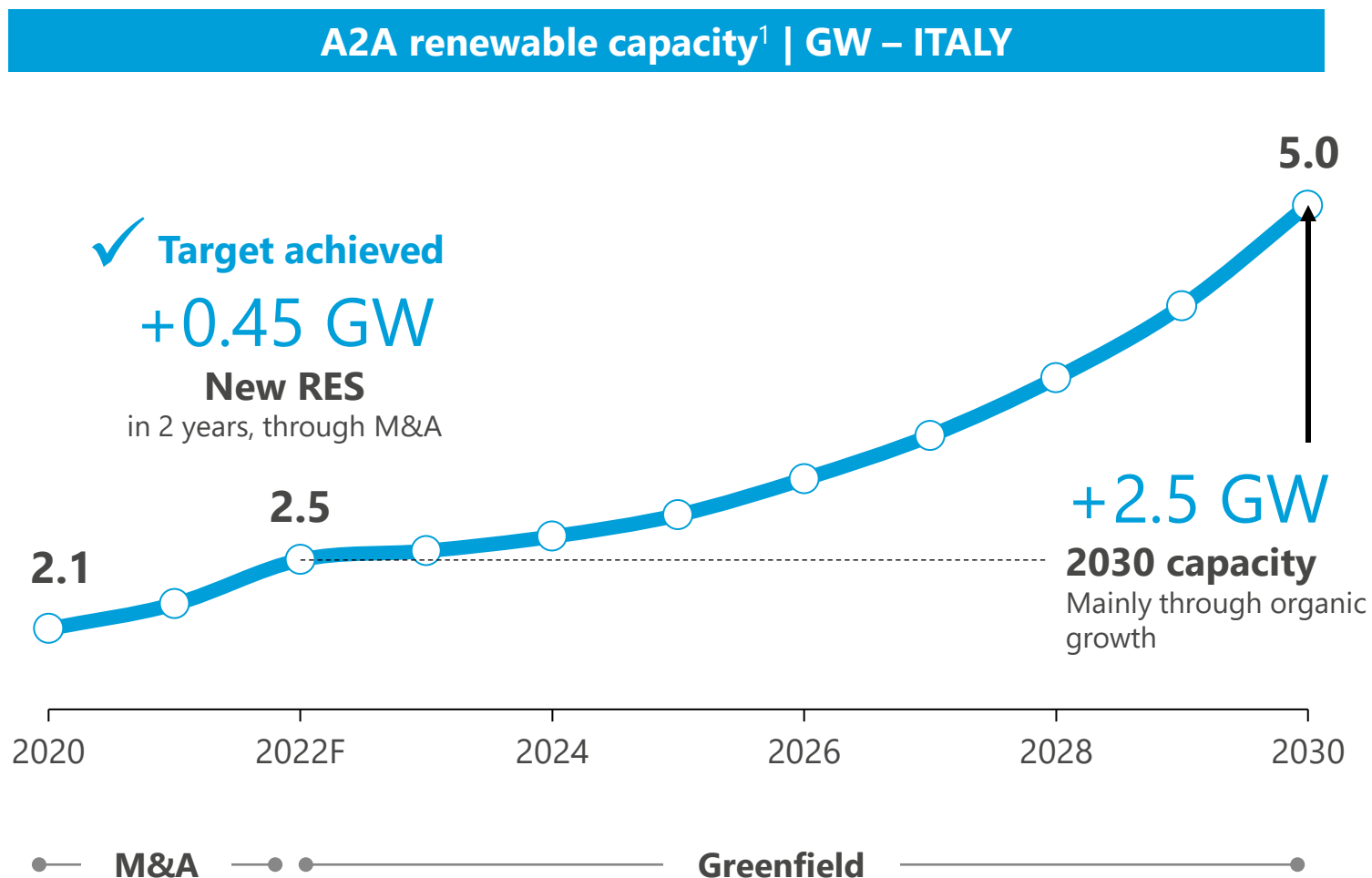


CONTRIBUTING TO THE ENERGY SYSTEM OF TOMORROW WITH RES GROWTH, NEW FLEXIBILITY AND ELECTRIFICATION OF CONSUMPTION

RESULTS @
2030



INCREASING OUR RENEWABLE CAPACITY IN ITALY



Fourth-ranked player
among industrial operators
of RES in Italy

1.8
GW

Solar
capacity
@2030

1.1
GW

Wind
capacity
@2030

9
TWh

Renewable energy
produced
@2030

NEW FLEXIBILITY WITH REGULATED REMUNERATION MECHANISM TO SUPPORT DEVELOPMENT OF RENEWABLES

Flexibility projects



~410 MW Storage

New storage developments

both stand-alone and integrated with RES plants



~870 MW CCGT

1 new plant

in northern Italy with new programmable power and hydrogen ready

✓ Capacity market already awarded



~390 MW Upgrades

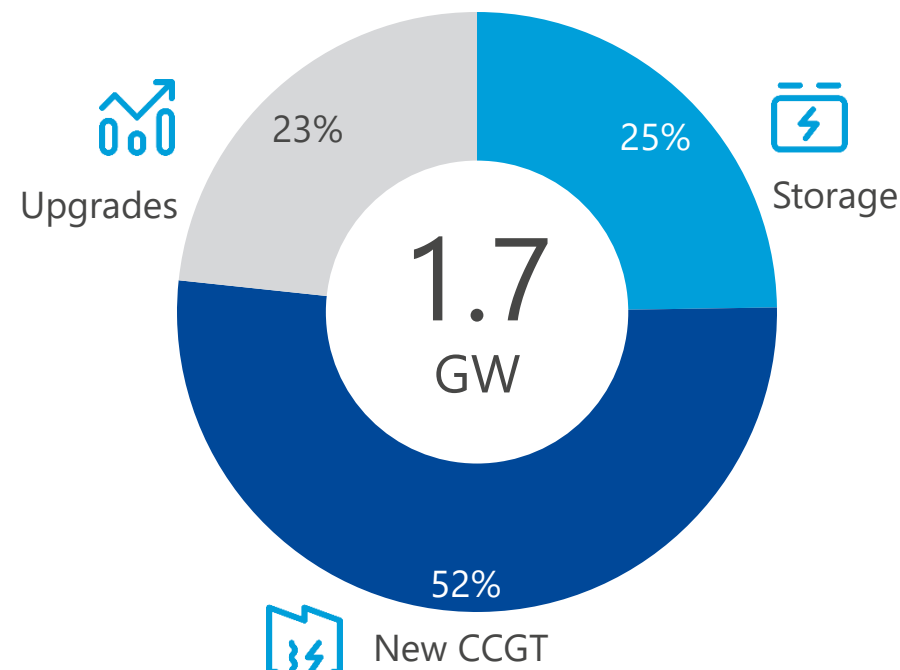
Projects for providing peak power

More power and efficiency for A2A programmable plants

✓ Capacity market already awarded

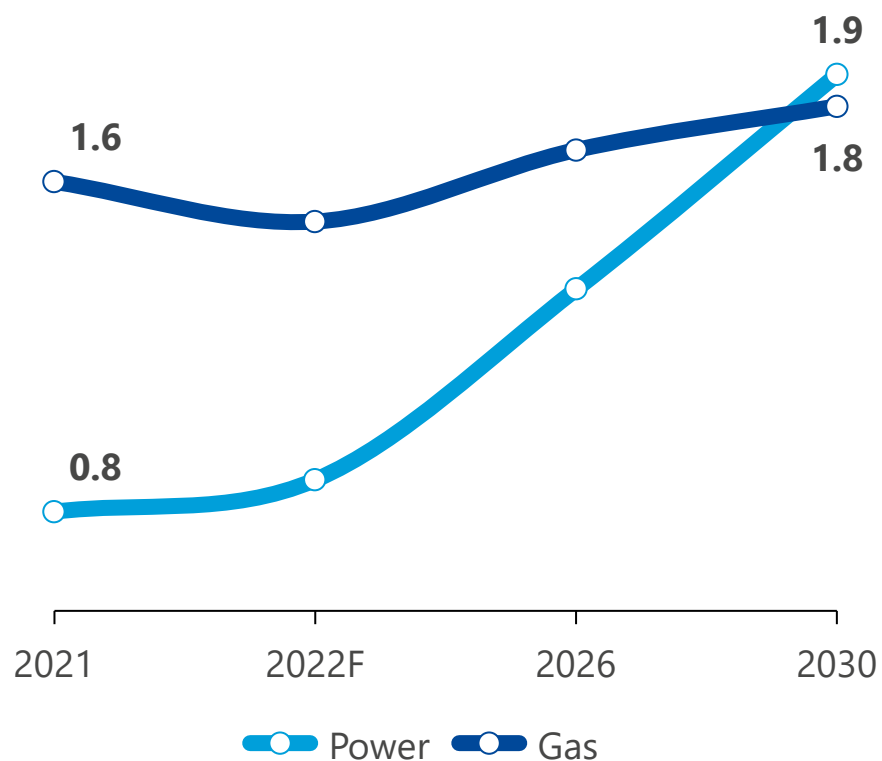
✓ Cassano and Chivasso already built

New flexibility | GW – 2030



SOLID AND RESILIENT NETWORK TO SUPPORT CONSUMPTION ELECTRIFICATION

Distribution networks RAB evolution | €B



3€B

CAPEX 2021-30
For network development

3.3GW

Peak power of electricity networks @2030

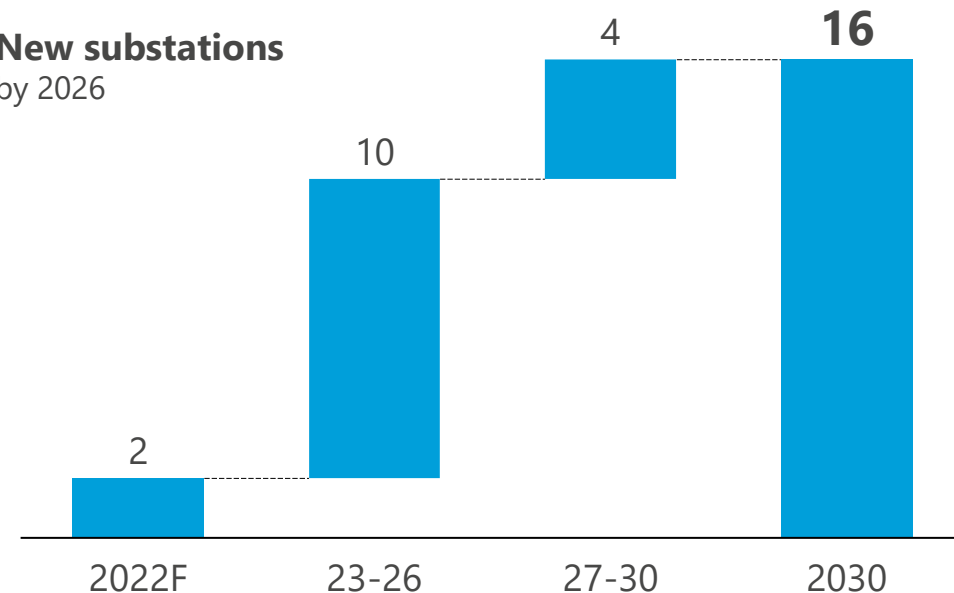
2,500KM

New electricity networks laid @2030

Primary electric substations | #

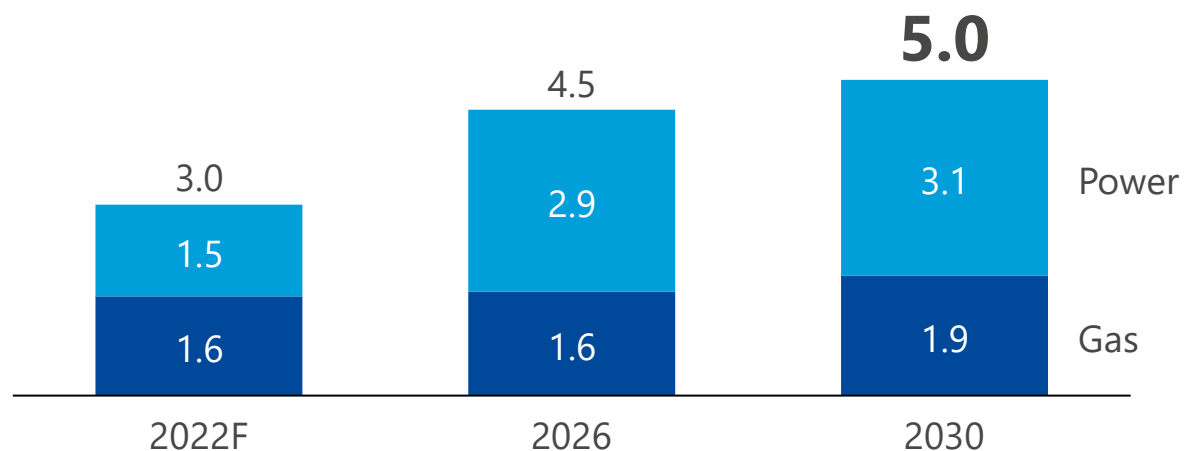
12

New substations by 2026



LEVERAGING ON AN INTEGRATED VALUE PROPOSITION TO INCREASE OUR CUSTOMER BASE

Customer base evolution | M



~30_{TWh}

Power volumes
sold @2030

~3.4_{Bcm}

Gas volumes
sold @2030

~30%

Acquisitions through
digital channels

New energy services



Development of e-moving service and extension of simple VAS offering

E-moving customer growth and extension of Value Added Services portfolio related to mobility



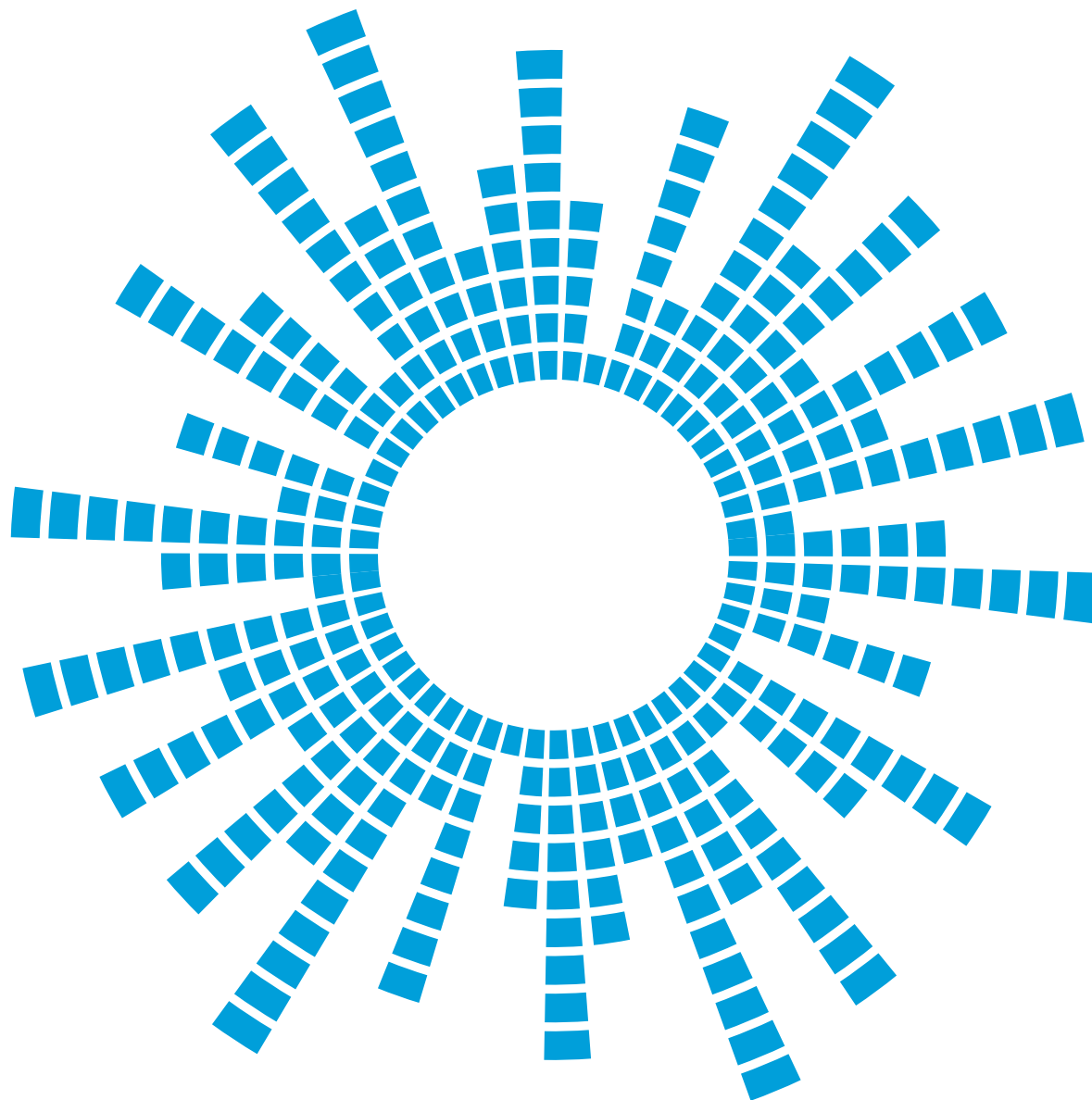
Small-scale solar

New B2C solar offerings and growth in B2B solar capacity installed



Development of Renewable Energy Communities

driven by energy autonomy trends

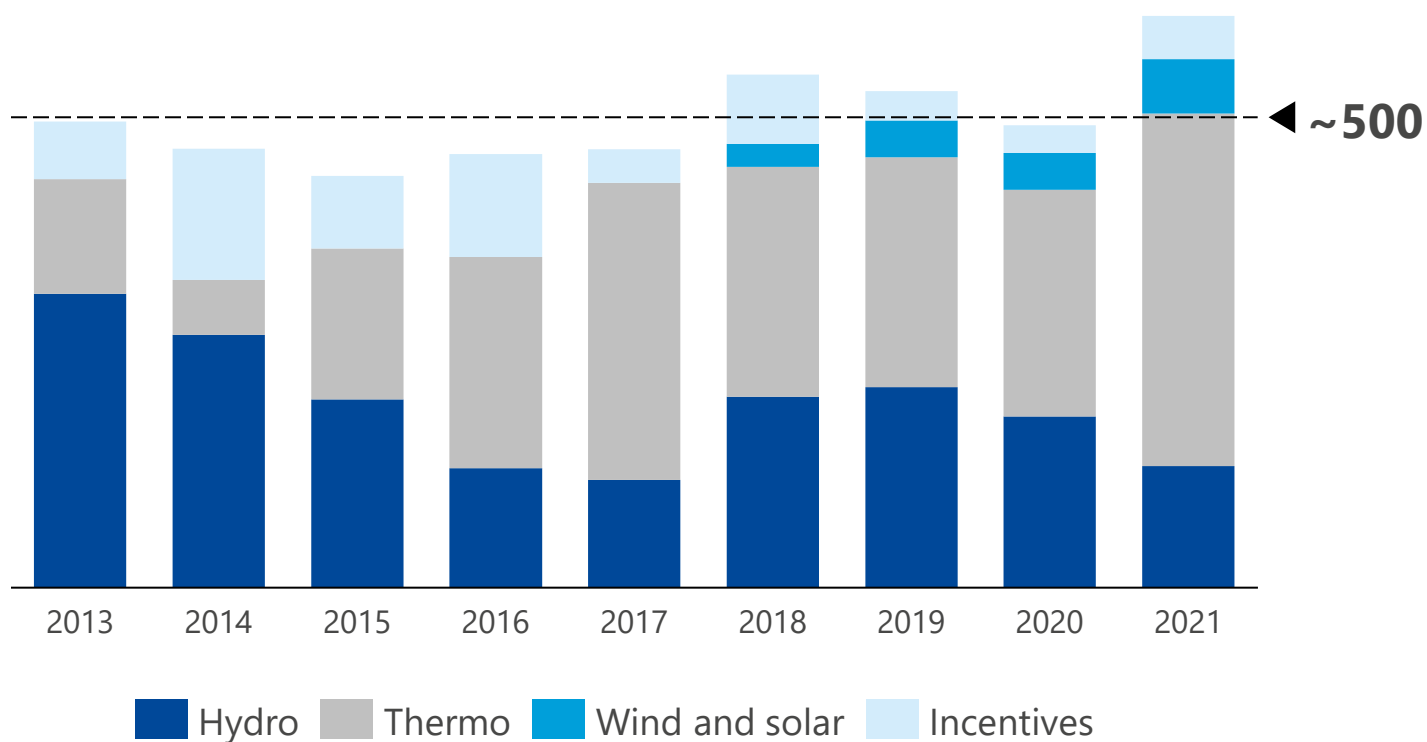


2

OUR RESILIENCE

OUR DIVERSIFIED GENERATION PORTFOLIO GUARANTEES STEADY MARGINS AND A LOW-RISK PROFILE

Contribution margin A2A generation plants | €M



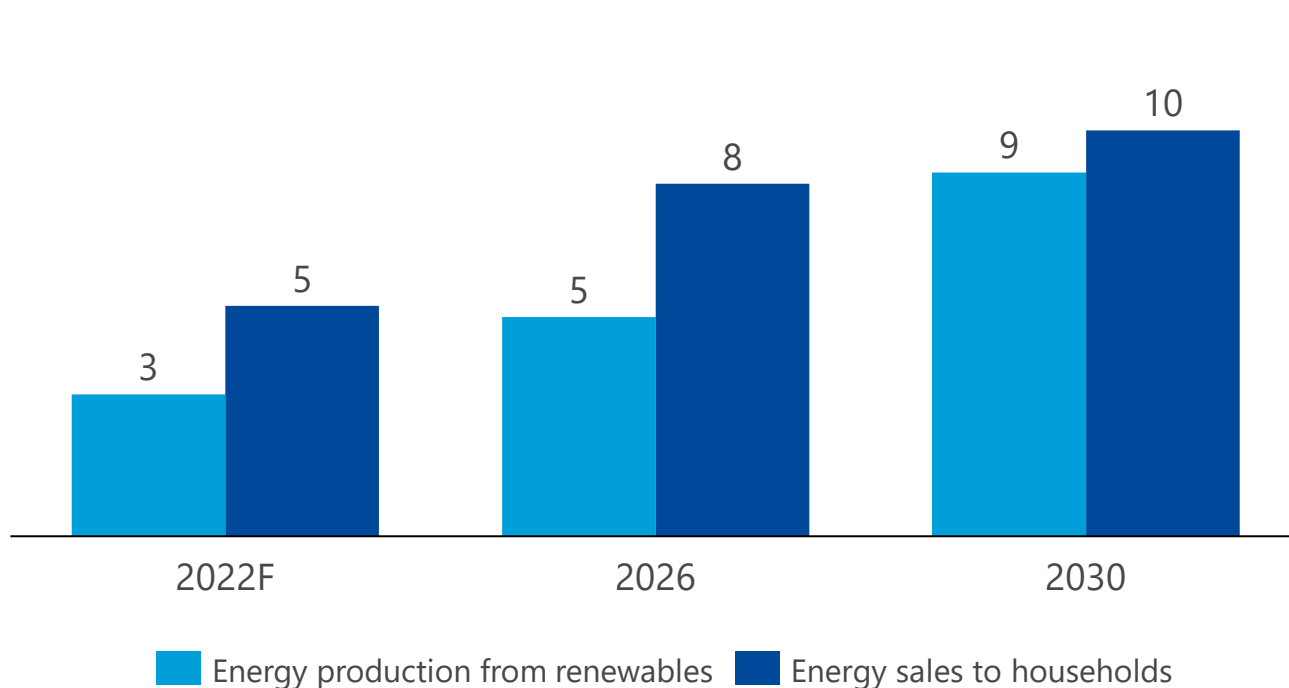
Margin stability

thanks to a diversified portfolio by

- 1 Technology**
Renewable vs flexible energy
- 2 Revenue stream**
Regulated vs merchant
- 3 Geography**
Plants distributed nationwide

DEVELOPMENT OF NEW RES PLANTS PROTECTED BY OUR CUSTOMER BASE

RES production and energy sale | TWh



Natural hedging along the business chain

between renewable energy generation and A2A's retail customers



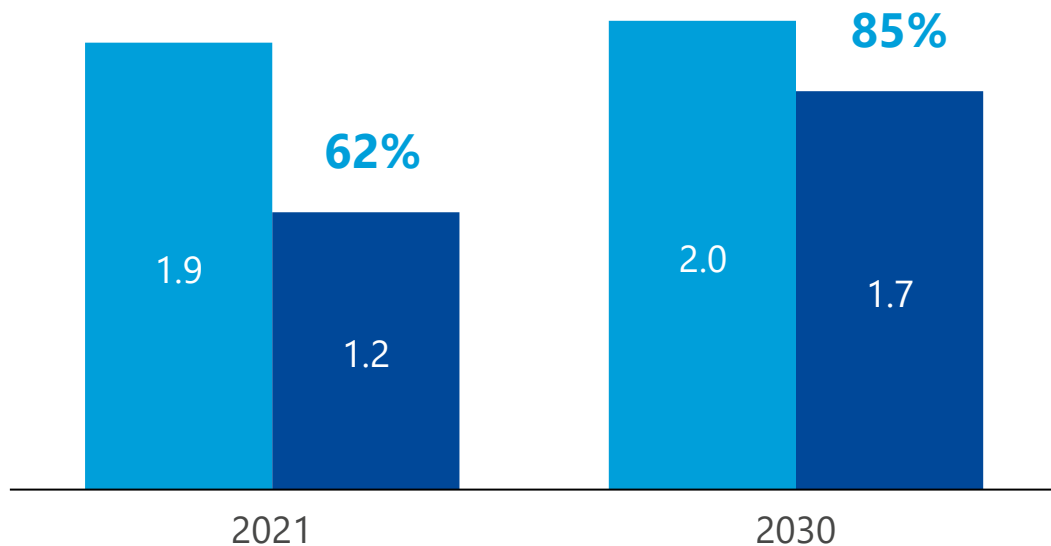
RES hedging always > 100%

~9 TWh of energy production from RES vs ~10 TWh of energy sold to household customers

OUR PRESENCE ALONG WASTE CYCLE VALUE CHAIN HELPS TO MITIGATE RISK

Closure of waste cycle | Mt

■ Waste collected ■ Waste collected and treated internally



Presence in the entire value chain

From waste collection to waste treatment in Group's facilities

Multi-business integration



Heat recovery

Guaranteed by WtE and district heating integration



Flue gas treatment

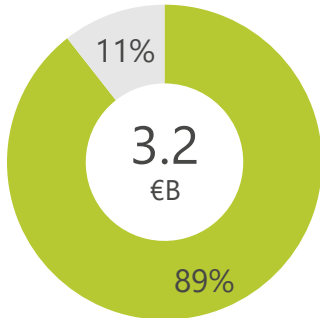
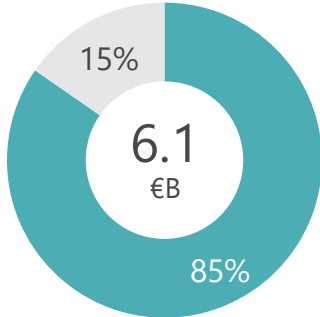
Technologies to reduce carbon footprint and to enhance energy recovery



Waste sludge treatment

For energy recovery

OVER 80% OF PROJECTS EXPECTED BY 2026 ARE COMPLETED AND IN PROGRESS

Pillars and business		Key project status ¹	CAPEX 2021-26 €B
Circular economy 	WtE development	3 urban WtE authorized of which 2 in operation by 2023 2 urban WtE with authorization procedure in process 1 industrial WtE authorized for expansion	 3.2 €B Completed and in progress
	Organic fraction plants	2 plants completed	
	Heat projects	20+ projects contractualized and underway	
Energy transition 	Renewables	1 wind and 2 solar plants underway 2 solar plants authorized to build from '23	 6.1 €B Completed and in progress
	New flexibility	2 upgrades completed, 2 underway 1 peaker underway 1 new CCGT underway 2 storage projects authorized	
	Energy networks	2 primary substations completed 3 primary substations underway, 11 planned - Resilience work on energy networks	

WE ARE WORKING ON ADDITIONAL PROJECTS THAT COULD ENHANCE GROWTH POTENTIAL



BACK-UP

Alternative projects developed as reserve



BOOST

Possibility to increase growth if market conditions allow



PARTNERSHIP

Potential enabler for new projects



Waste-to-energy

100-120

Material recovery

25-30

Water cycle out of scope

20-40

District heating & energy efficiency

30-50



Flexible energy

100-120

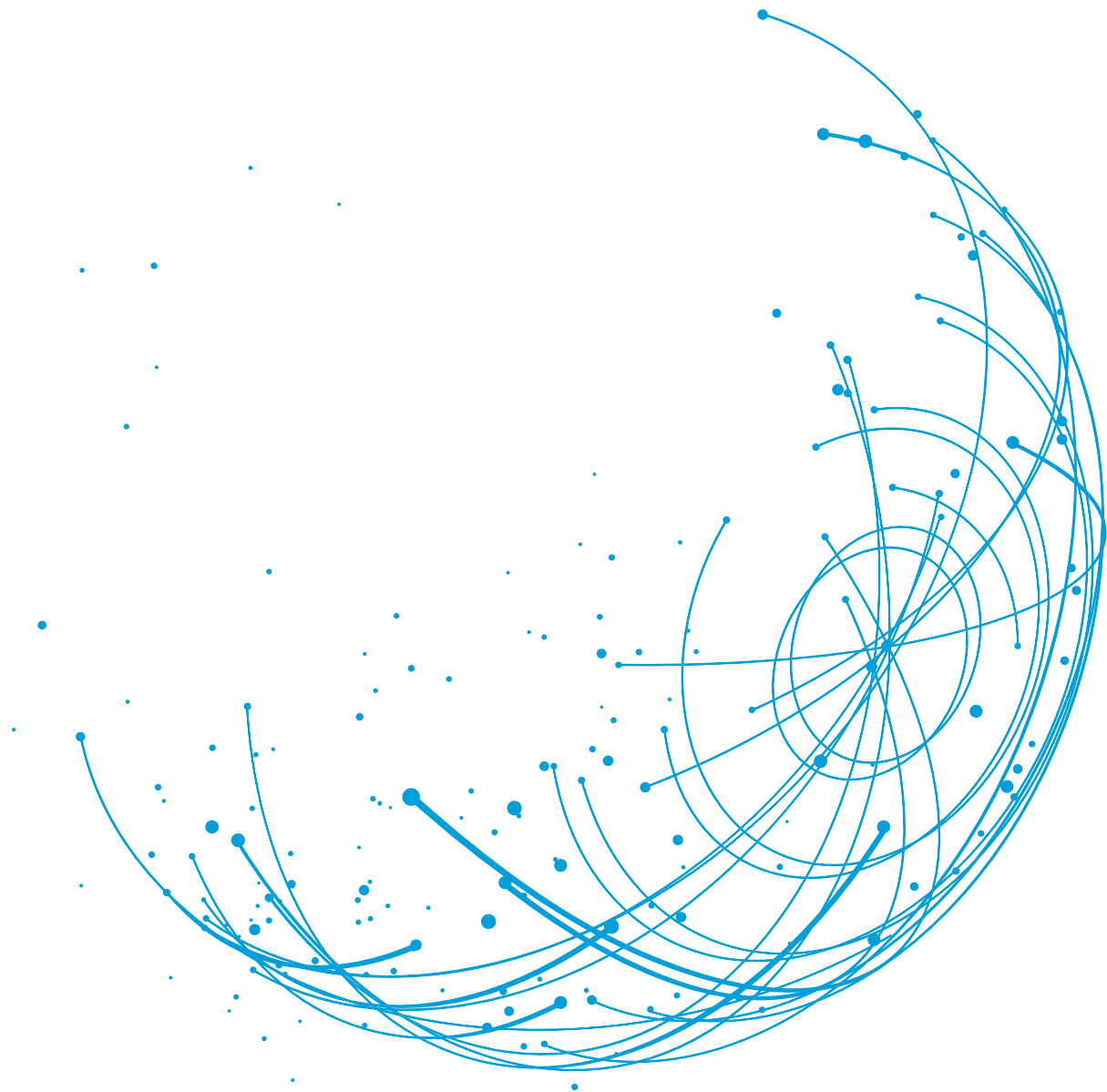
RES and pumped storage

50-70

Market developments

10-20

Potential EBITDA upside | €M

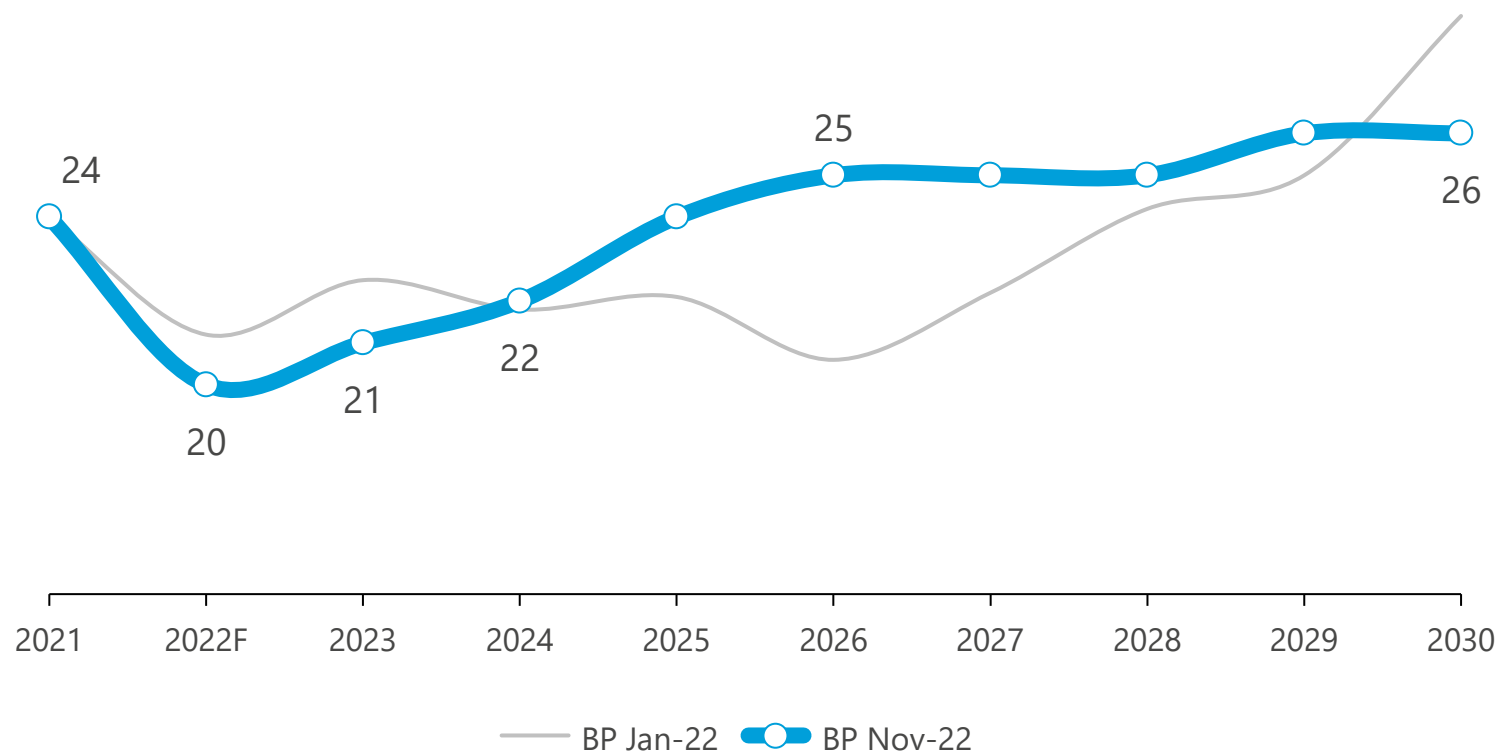


3

FINANCIALS

SOLID FINANCIAL PROFILE GUARANTEED

FFO / Net debt | %



Commitment to current rating

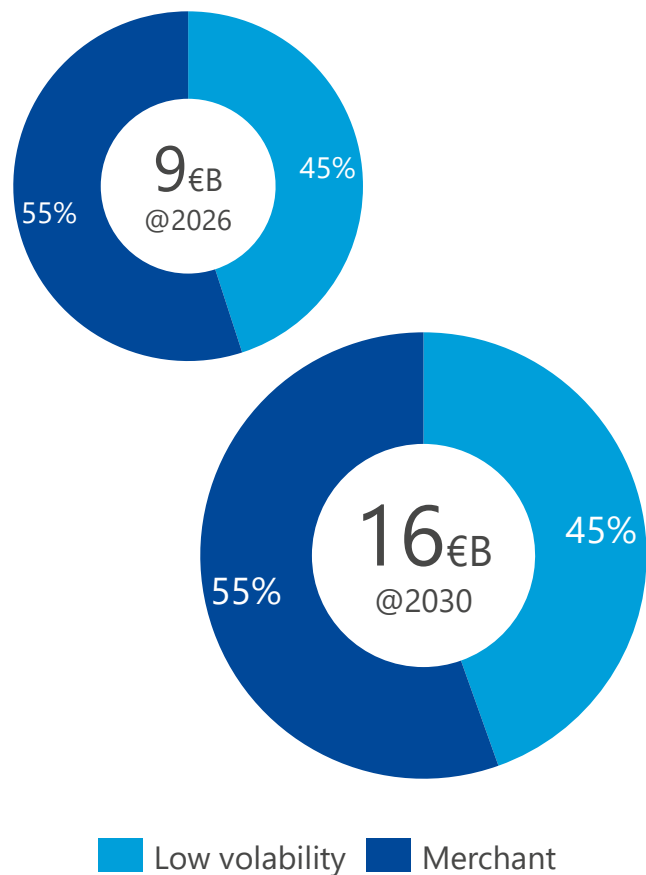
despite the volatile environment, thanks to the Group's solid financial policy

FFO/Net Debt well above 23%

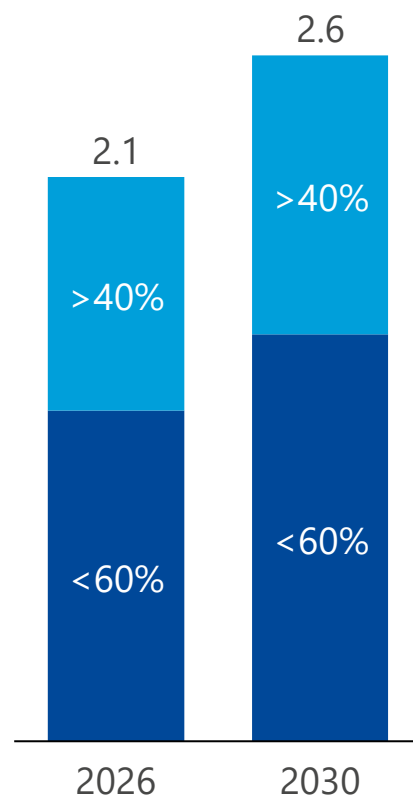
starting from 2025

OVER 40% OF PROFITABILITY COMES FROM LOW VOLATILITY BUSINESSES

Cumulative CAPEX | €B



EBITDA | €B



Volatility

Low volatility:
regulated or
contractualized

Examples

- Distribution networks
- Waste collection
- Capacity market
- Incentivised RES
- District heating

Mitigating factors

Stable and low risk flows, based on long term contracts with high exit costs

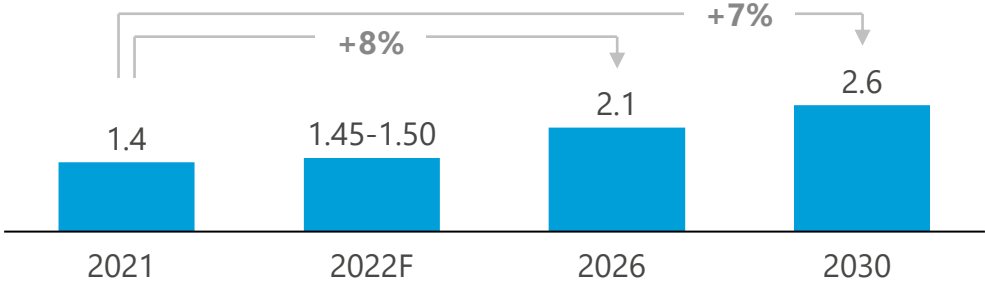
Merchant

- Power generation (merchant)
- Energy retail
- Waste treatment plants (not regulated)

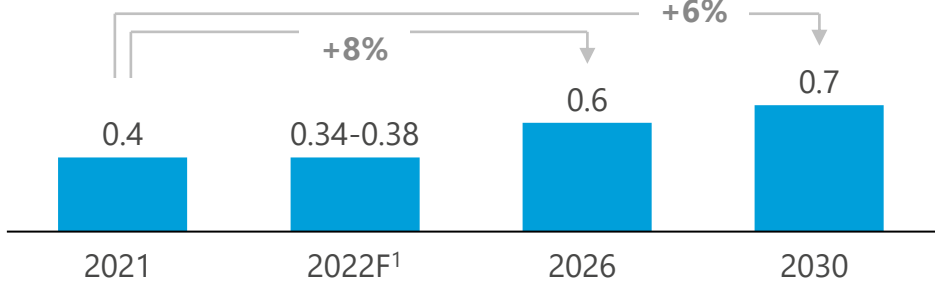
Natural hedging of power generation sources mix
Stable customer base
Waste treatment leader in a market characterized by a shortage of facilities

BALANCED PORTFOLIO LEADS TO SAFE GROWTH

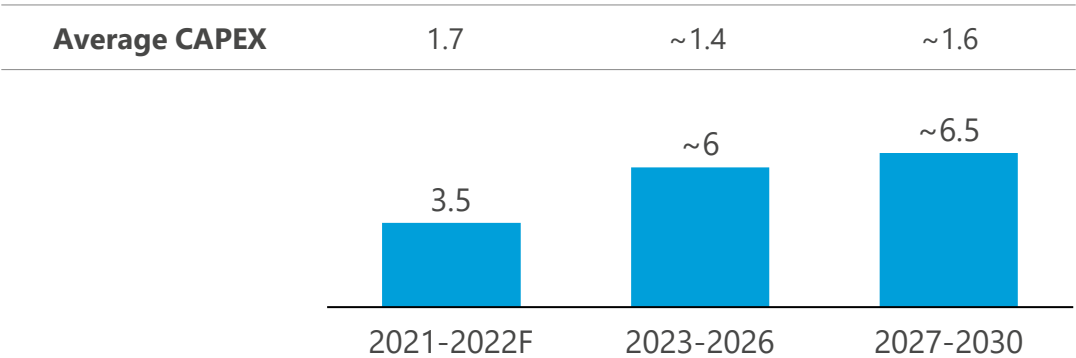
EBITDA | €B



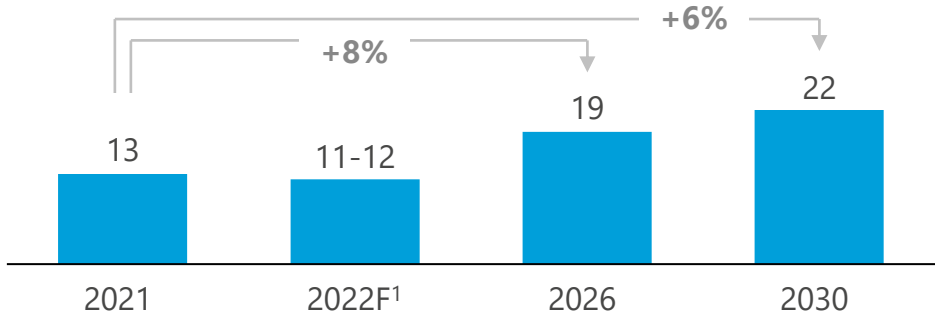
Net income | €B



CAPEX | €B

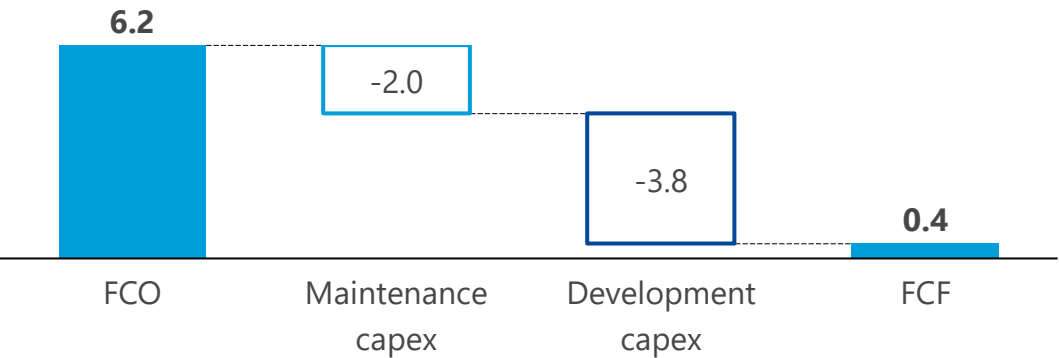


EPS | €c



CASH GENERATION UNDERLYING SHAREHOLDER REMUNERATION

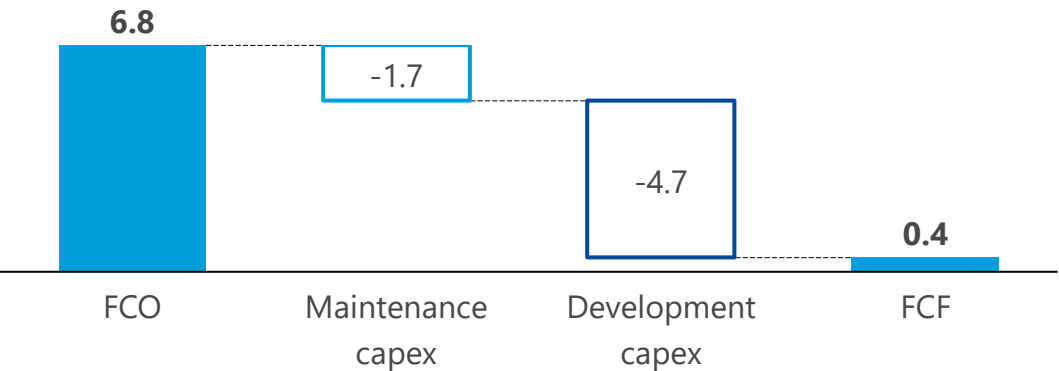
Cash flow 2023-26 | €B



Dividend per share¹ | €c

	2020	2021
Dividend per share (€c)	8.00	8.24 ²

Cash flow 2027-30 | €B



Dividend growth of 3% YoY

SUSTAINABLE FINANCE GIVES US THE OPPORTUNITY TO EVOLVE FINANCING MODELS TOO

Funding plan | €B

3.3

2023-26

4.0

2027-30

Average cost of debt

3%

@2026

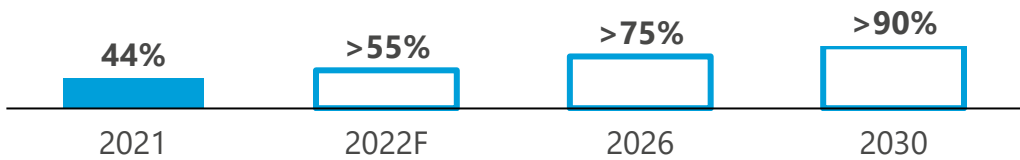
Duration¹

>5

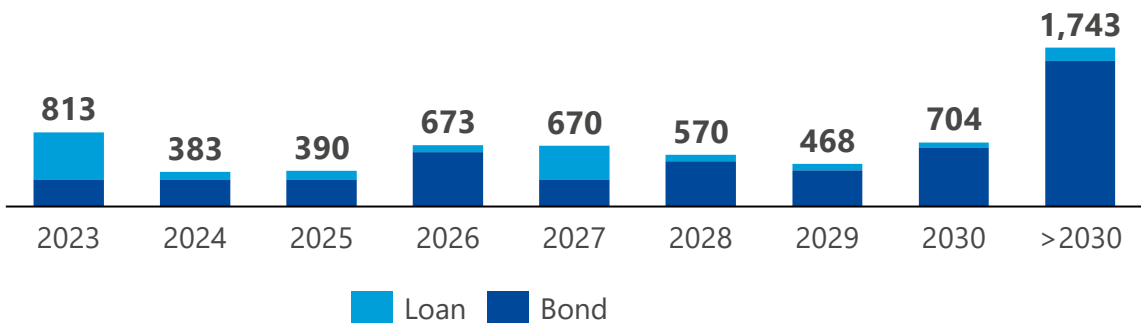
years

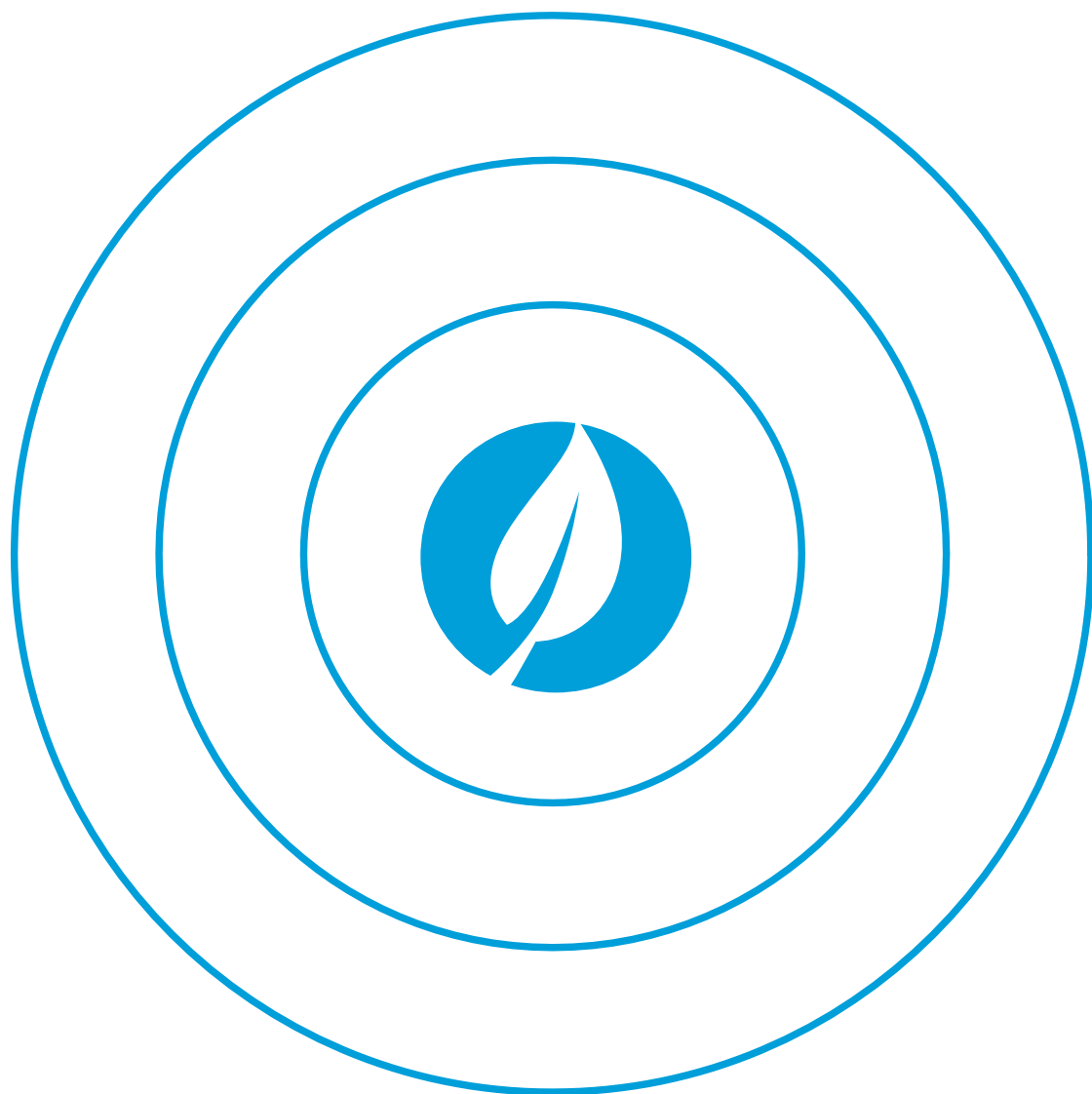


ESG Debt on total | %



Debt maturity profile | €M





4

OUR ESG
COMMITMENT

OUR COMMITMENT AS A LIFE COMPANY FOR TRANSITION

JUST

- Harnessing of individual potential
- Inclusive approach
- Raising awareness of *Diversity & Inclusion* issues



OUR TRANSITION

ECOLOGICAL

- Emission intensity target @2030 aligned with SBTi
- Net zero @2040
- Waste reduction with energy recovery and heat

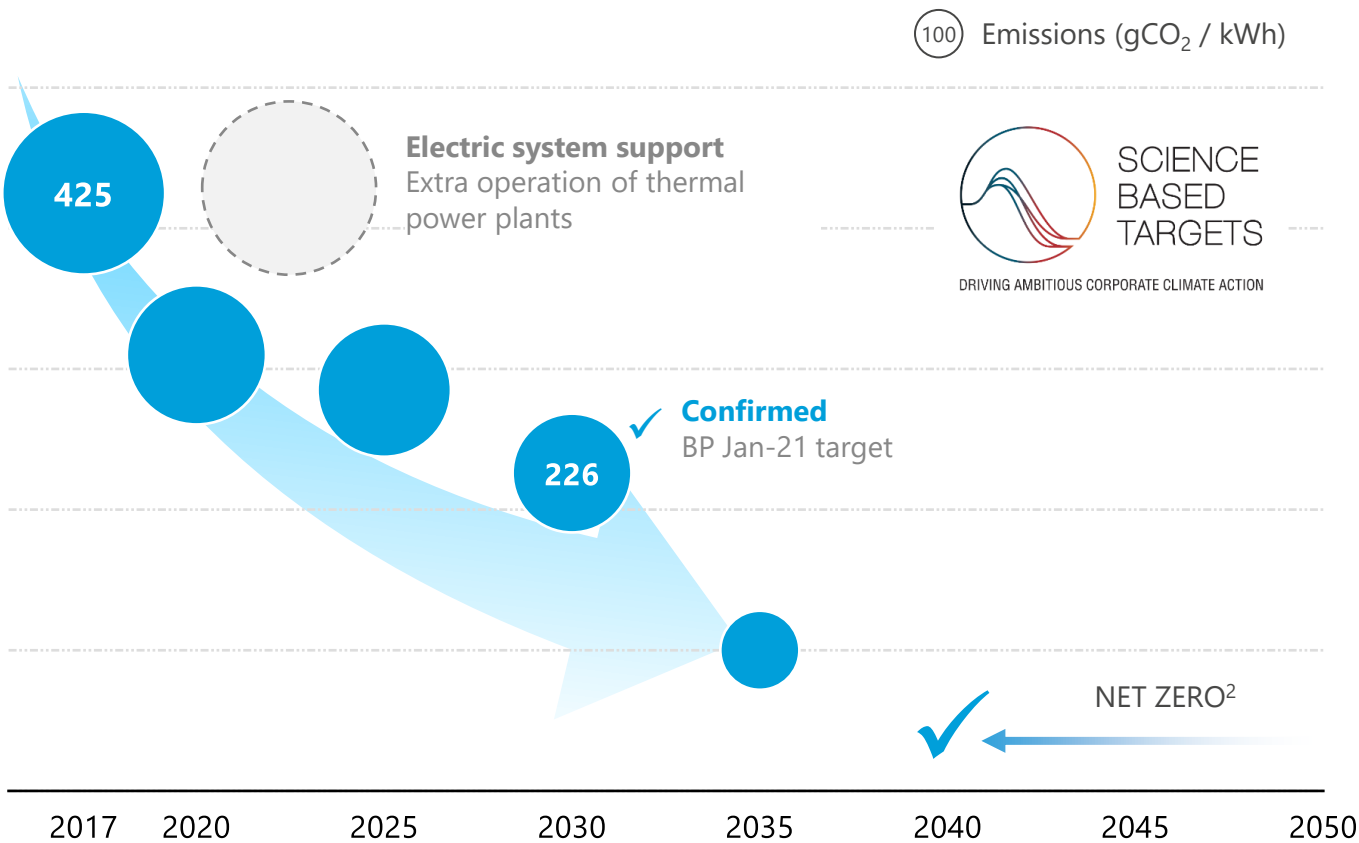


SHARED

- Sustainable supply chain
- Ecosystems for industrial innovation
- Local engagement

DECARBONIZATION TARGETS CONFIRMED: A2A NET ZERO BY 2040

Scope 1 + Scope 2 emissions¹ | gCO₂ / kWh



Target to 2030
Reduction trajectory confirmed,
validated by SBT



Net zero by 2040
10 years ahead of EU targets



Strategy for decarbonization
More renewable production and
utilization of new technologies

Notes: (1) Decarbonization target in line with the Paris Agreement goal to limiting global temperature rise to below 2°C | (2) Net Zero reached through a reduction in emissions by 90-95% vs starting point, with the possibility to use carbon removals to neutralize residual emissions (5-10%)

WE TAKE CARE OF OUR PEOPLE IN AN INCLUSIVE DIMENSION THAT VALUES EVERYONE'S DIVERSITY

Action for our people



Job security

Leadership in Health & Safety programme in all BUs of the Group



Reskilling

Technical Academy launched to enhance know-how, encourage the exchange of cross-generational competence and reduce onboarding time for new hires



Talent management

Cross-mentoring programme launched and induction programme for new hires strengthened



D&I and involvement

Inclusion team established and action plan implemented for the various *diversity & inclusion* issues

Commitment to 2030

	2021	2022F	2026	2030
Women in managerial positions (%)	23%	25%	28%	35%
Group companies' boards with women² (%)	43%	48%	63%	90%
Employees with cascaded objectives (%)	12%	12%	50%	100%
Disabled employees involved in personal development projects (%)	10%	25%	80%	100%
Injury frequency index (n. ¹)	20	19	15	13

INNOVATIVE DEVELOPMENT OF COMMUNITIES SERVED AND LOCAL SUSTAINABLE SUPPLY CHAIN

Action in progress



95% of orders from local suppliers

~2 €B of orders assigned to Italian suppliers, in terms of value distributed to the areas served



Stakeholder engagement forum

Organization of 9 forums to strengthen the long-term bond with local suppliers, with joint involvement in new initiatives



~40 €M to Venture Capital Fund

Dedicated to innovative start-ups of which 17 €M invested in 7 start-ups with a focus on energy transition and circular economy



Innovation culture

Involvement of more than 3,000 employees in the *call 4 ideas* project with more than 300 ideas collected

Commitment to 2030



Value of purchases from suppliers assessed with **ESG indicators** (%)

2021	2022F	2026	2030
47%	60%	75%	90%
Impact of sustainability criteria in the vendor rating process (%)			
17%	17%	>25%	>30%
Scale-up innovation projects (%)			
25%	25%	30%	40%

Impact of **sustainability** criteria in the **vendor rating process** (%)

Scale-up **innovation projects** (%)



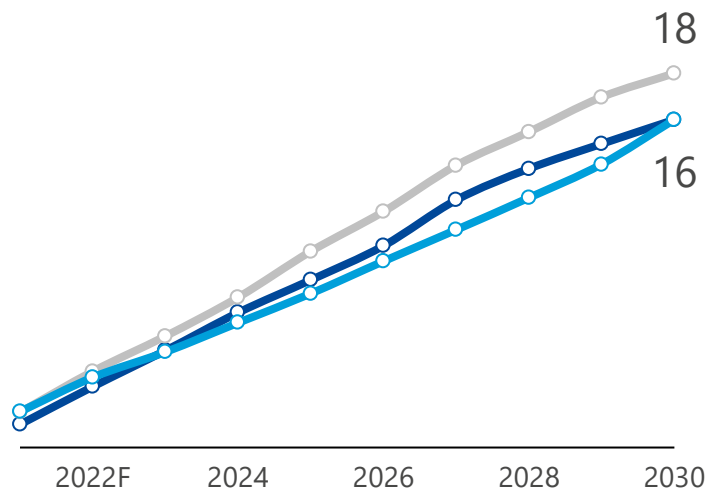
5

CLOSING
REMARKS

THIS UPDATE CONFIRMS THE FIRST 10-YEAR PLAN TARGETS

Cumulative CAPEX 2021-30 | €B

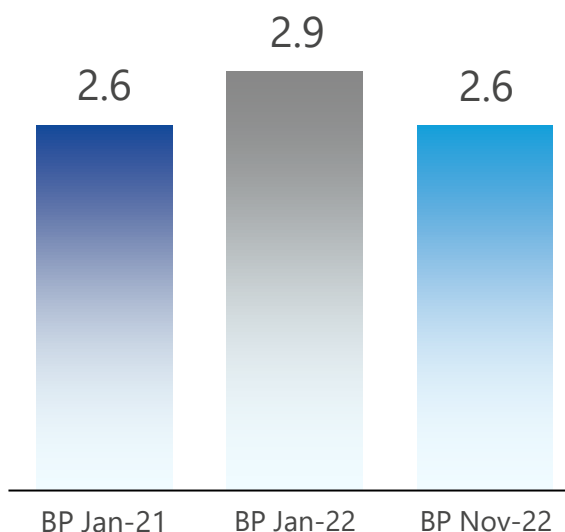
BP Jan-21 BP Jan-22 BP Nov-22



16 €B CAPEX 2021-30

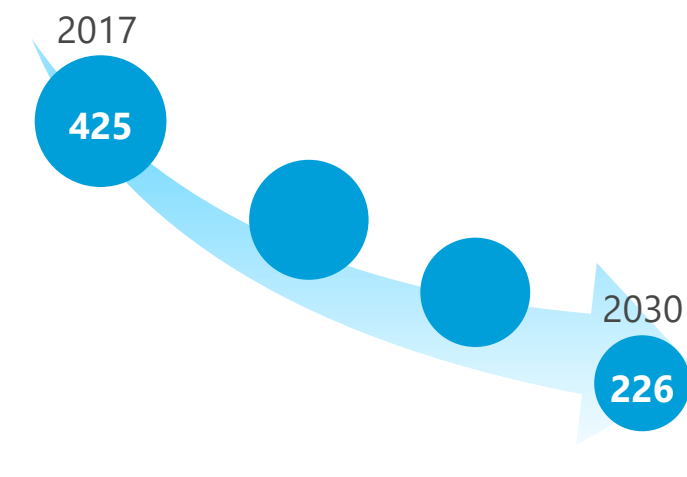
~85% aligned to UN SDGs
~65% aligned to EU Taxonomy

EBITDA @2030 | €B



~2.6 €B EBITDA @2030

Emission intensity | gCO₂ / kWh



Confirmed target @2030



ANNEXES

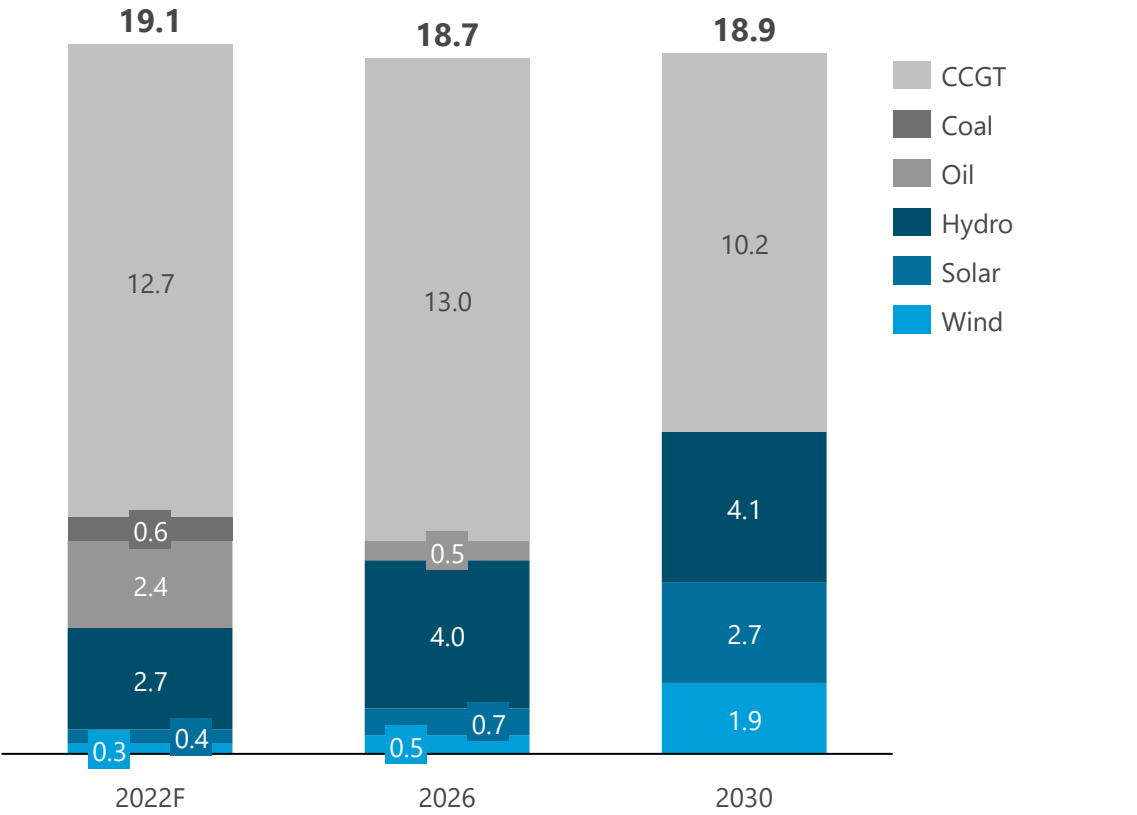
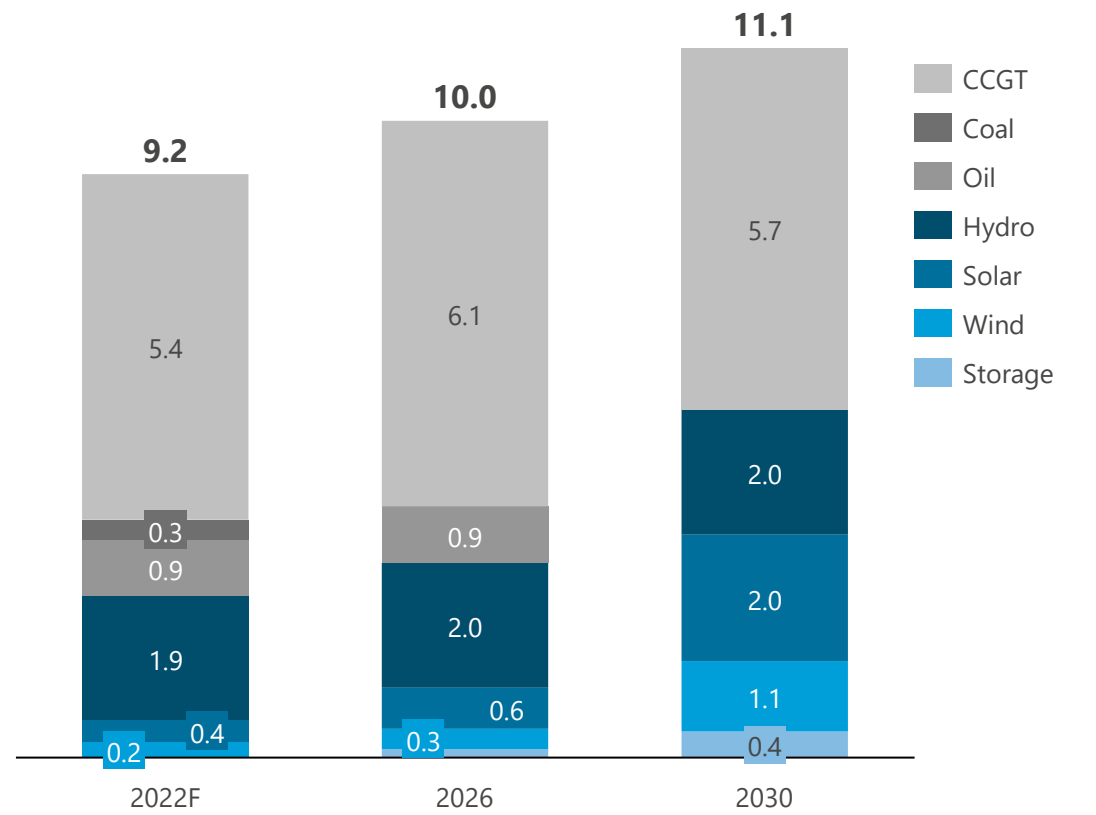


BACKUP BUSINESS UNIT ENERGY

BREAKDOWN INSTALLED CAPACITY AND PRODUCTION

Net capacity evolution | GW

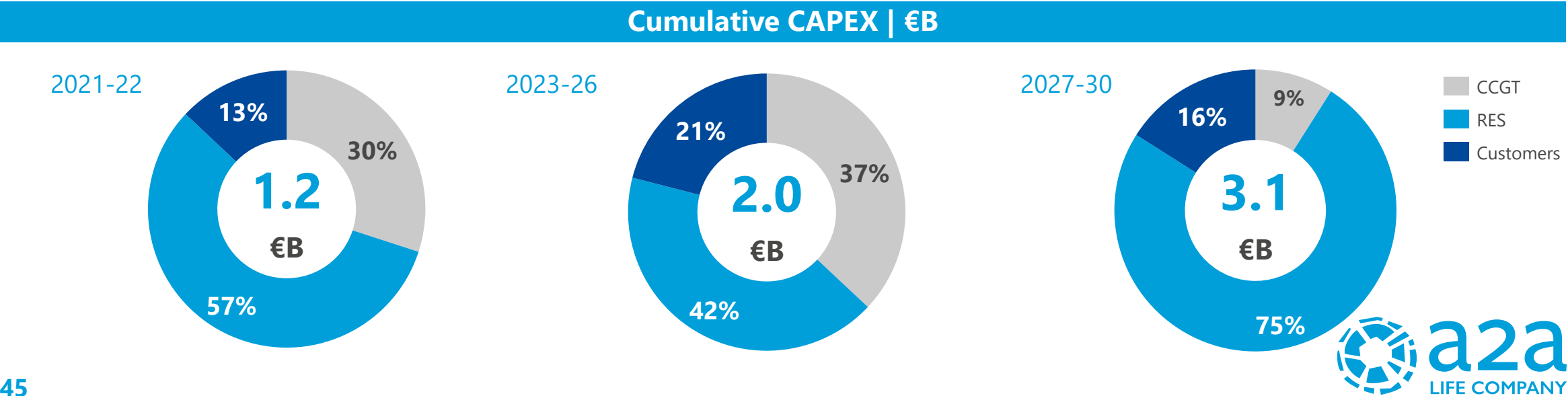
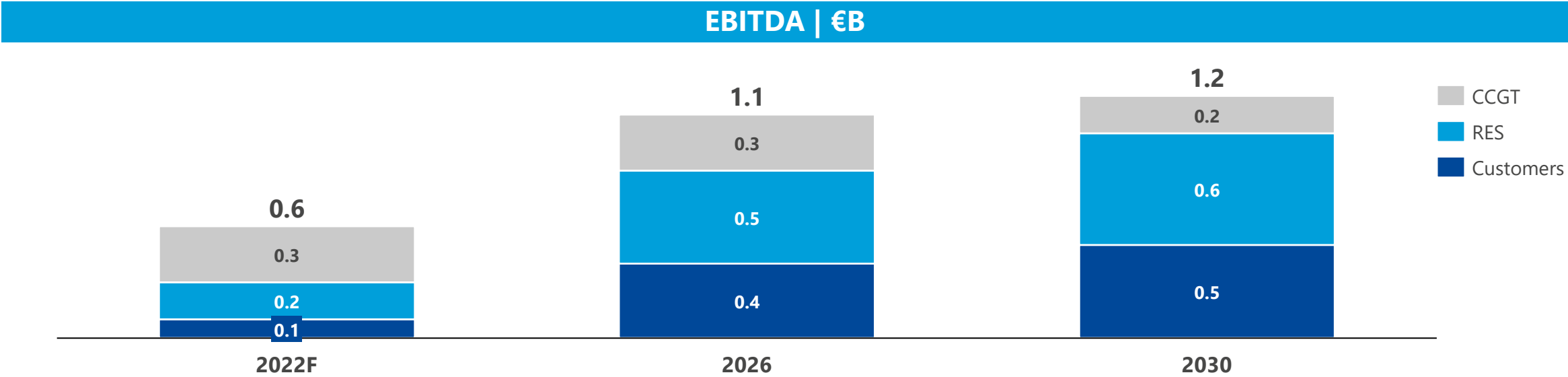
Net production evolution | TWh



RES 28% 29% 45%

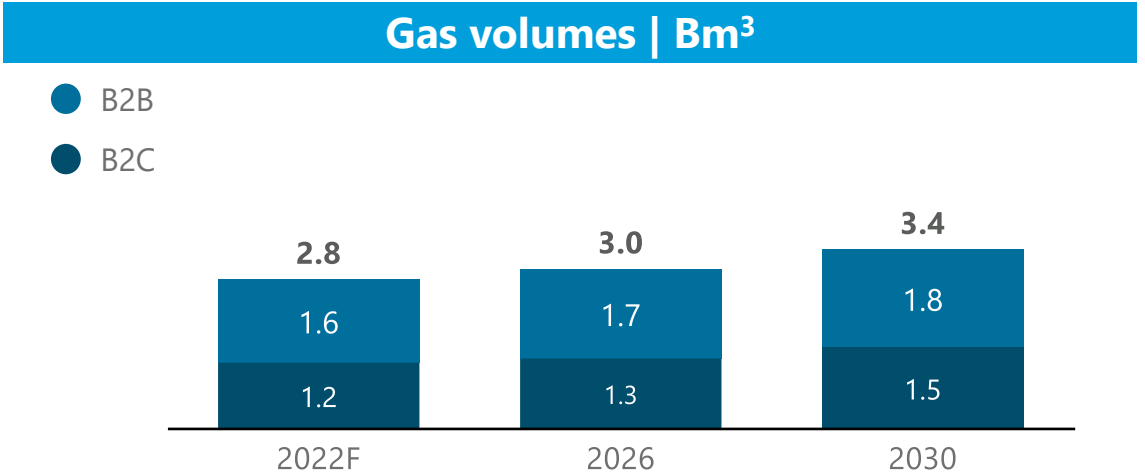
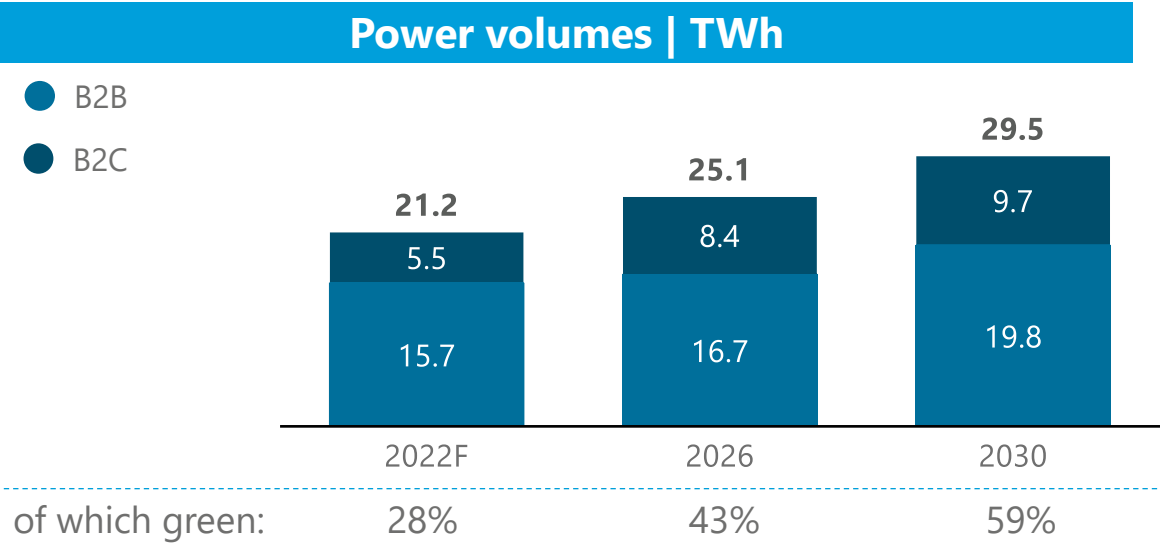
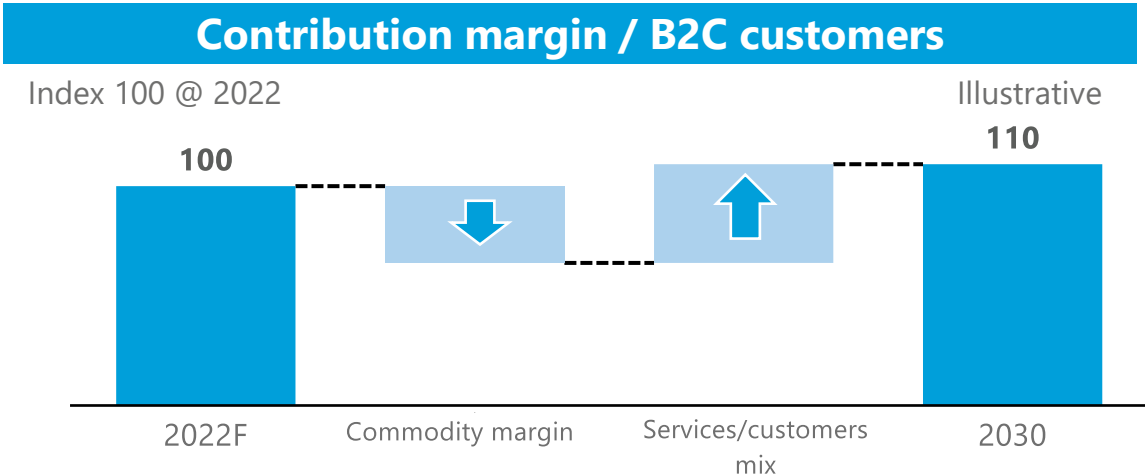
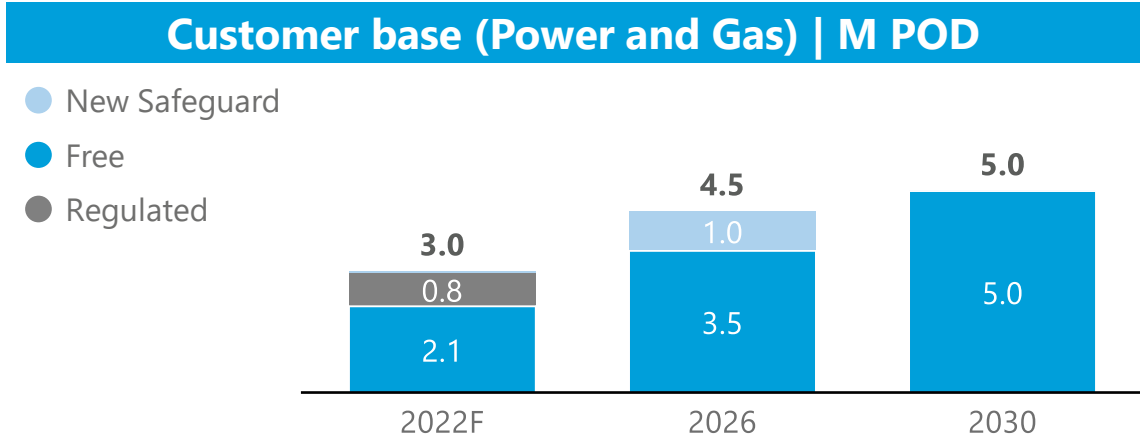
BACKUP BUSINESS UNIT ENERGY

CAPEX AND EBITDA EVOLUTION

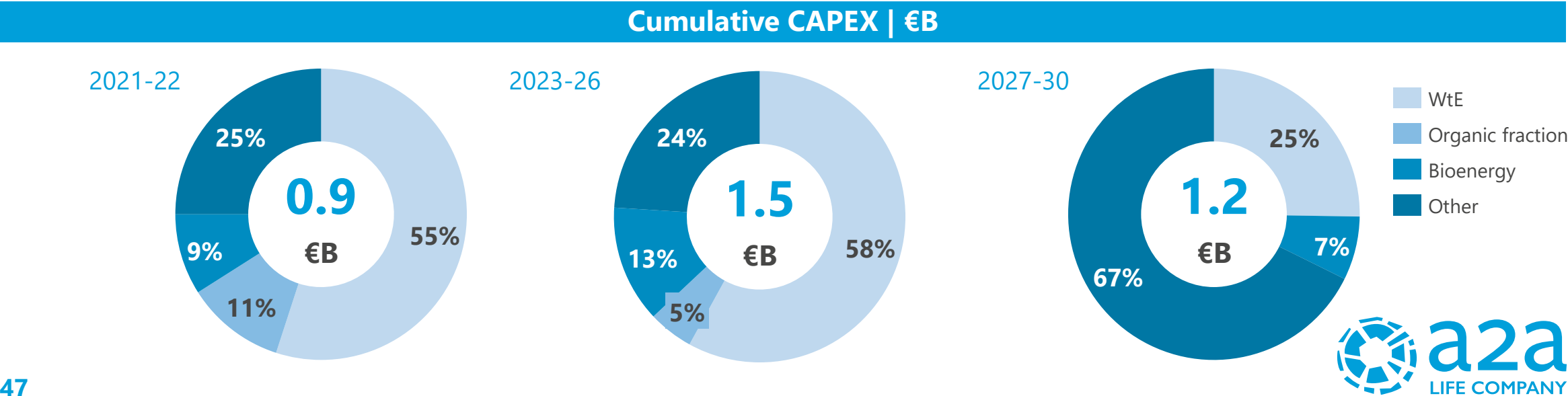
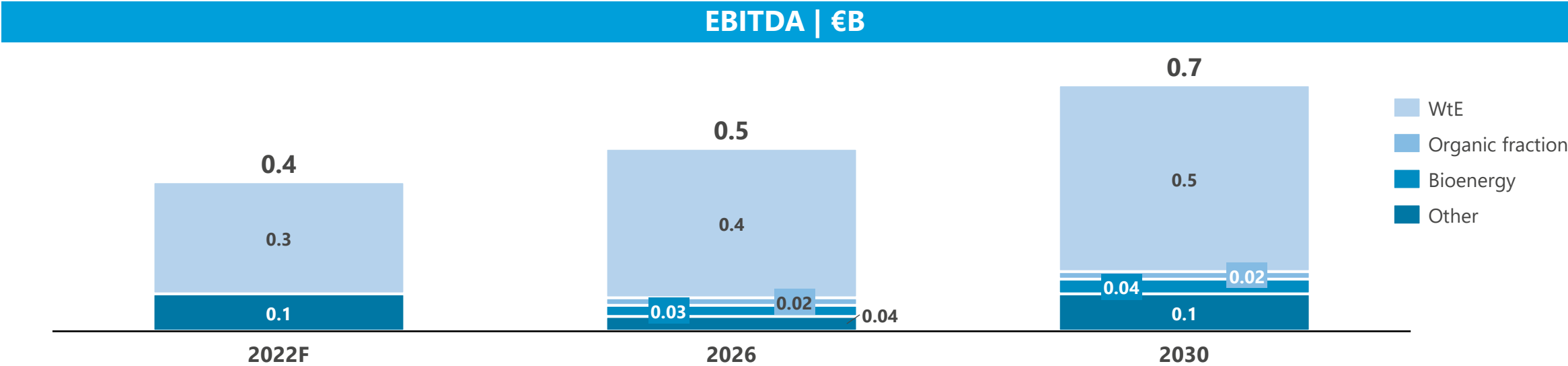


BACKUP BUSINESS UNIT ENERGY

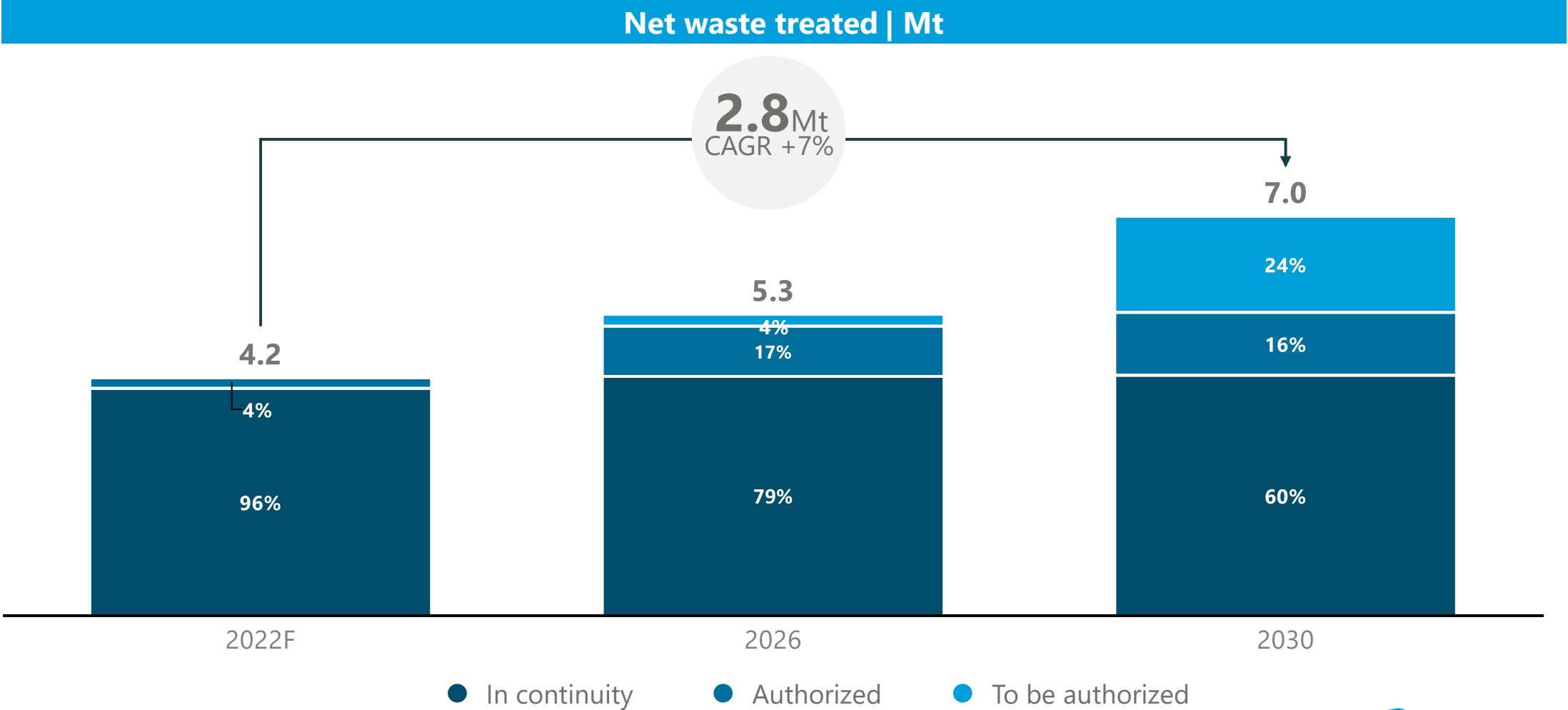
FOCUS ON CUSTOMERS



BACKUP BUSINESS UNIT WASTE CAPEX AND EBITDA EVOLUTION

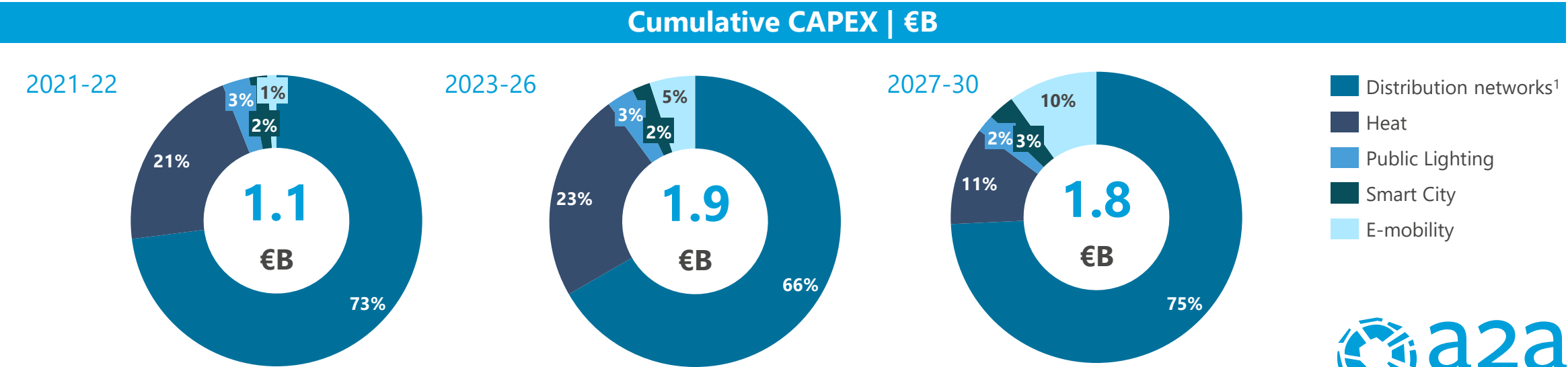
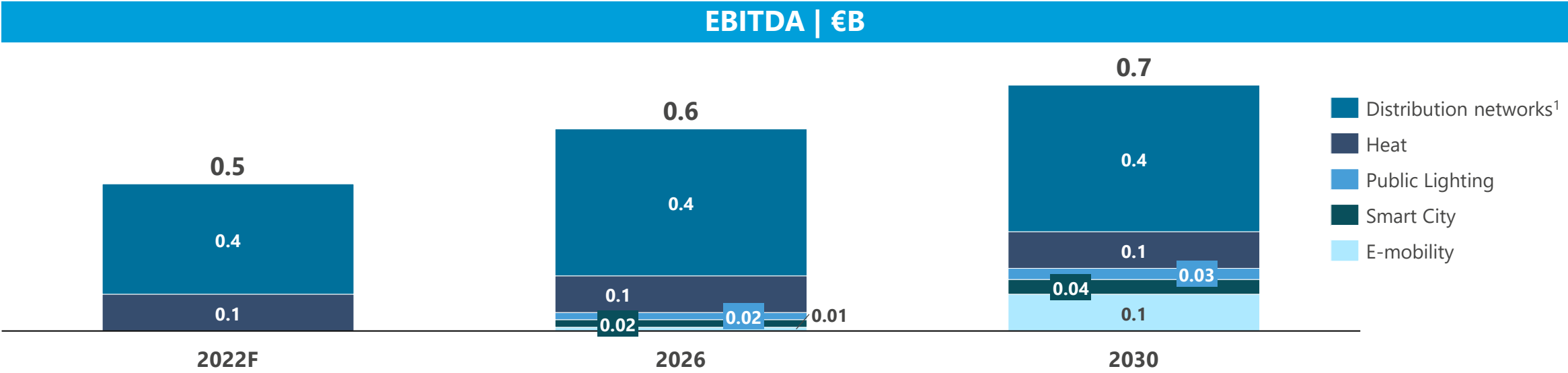


BACKUP BUSINESS UNIT WASTE WASTE TREATED EVOLUTION



BACKUP BUSINESS UNIT SMART INFRASTRUCTURES

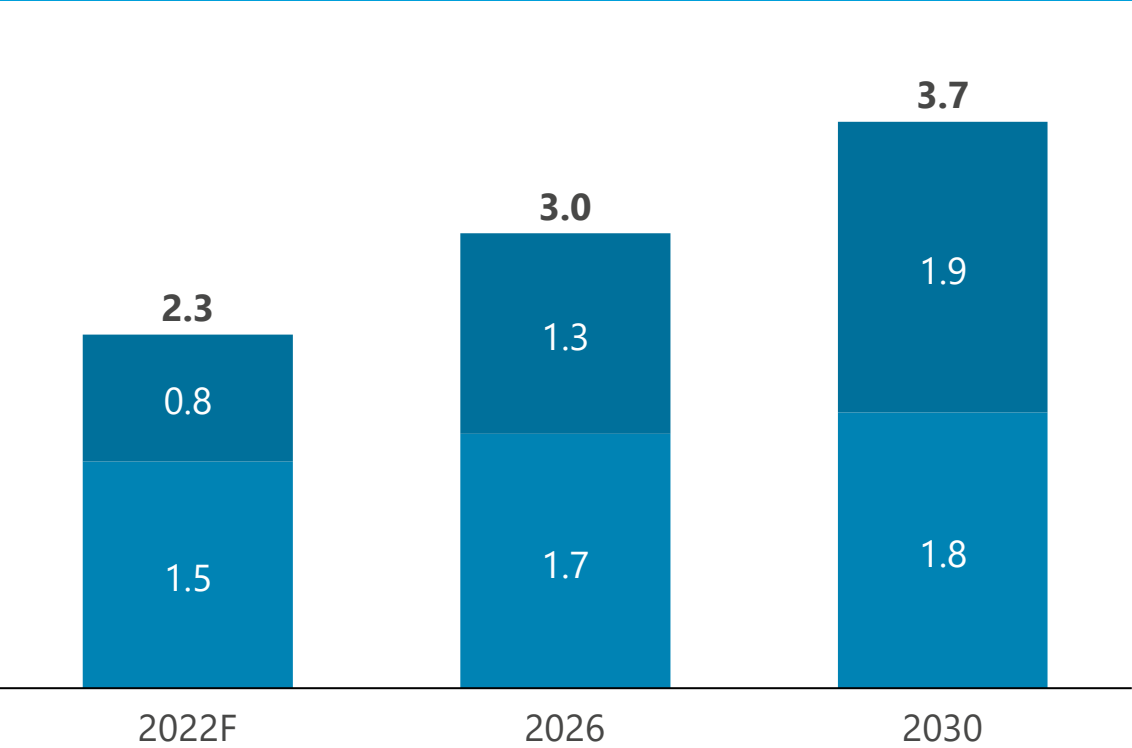
CAPEX AND EBITDA EVOLUTION



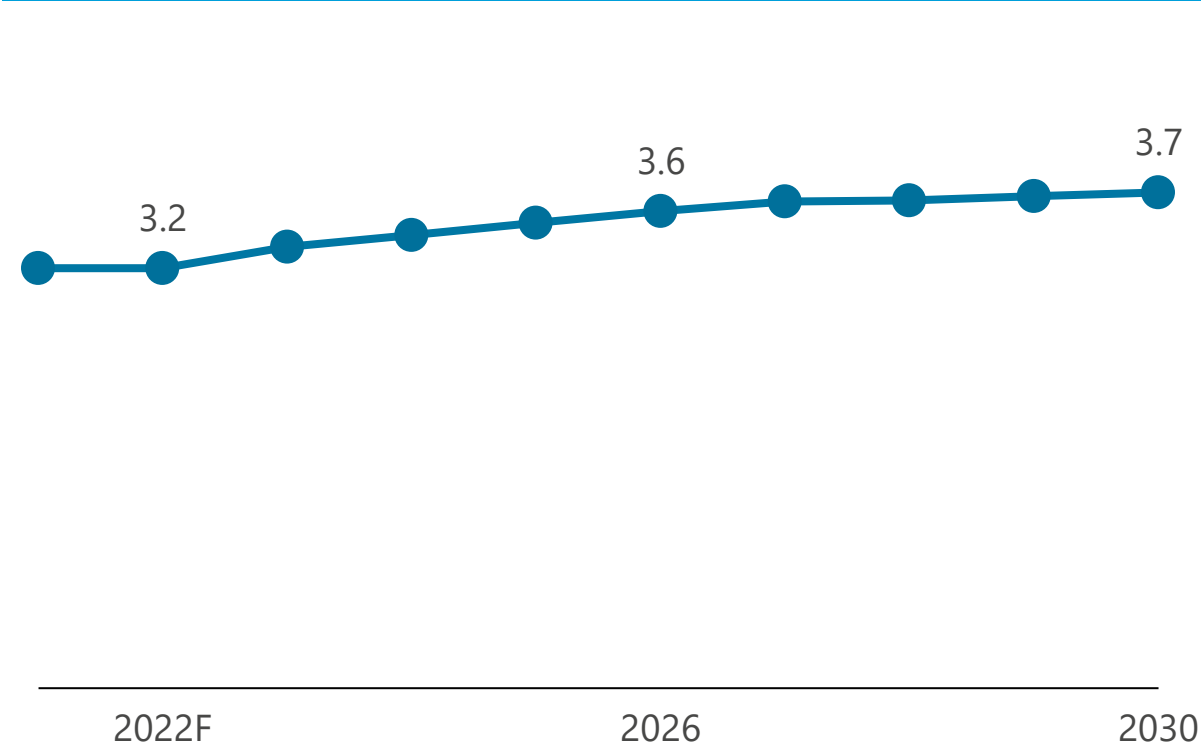
BACKUP BUSINESS UNIT SMART INFRASTRUCTURES

FOCUS ON MAIN KPIs

Distribution networks RAB | €B



District heating volumes | TWh_t



● RAB Electricity Network ● RAB Gas network