A2A, RESULTS AS AT 31 MARCH 2024

CONTINUOUS IMPROVEMENT OF ECONOMIC AND FINANCIAL INDICATORS AND CUSTOMER BASE

2024 EBITDA AND ORDINARY NET PROFIT GUIDANCE REVISED UPWARDS

INVESTMENTS IN STRATEGIC INFRASTRUCTURES FOR THE ECOLOGICAL TRANSITION CONTINUE

ENERGY PRODUCED FROM RENEWABLE SOURCES INCREASED

THE GROUP'S COMMITMENT TO SUSTAINABLE FINANCE HAS BEEN CONFIRMED

- **EBITDA at €703 million:** +40% compared to the first quarter of 2023 (501 million euros).
- **Net profit at €294 million:** +70% compared to the same period of 2023 (€173 million).
- **Revenues of €3,425 million:** -33% compared to the first three months of 2023 mainly due to the contraction in energy commodity prices.
- **Capex of €220 million,** in line with the first quarter of the previous year, for the development of photovoltaic plants, the strengthening and efficiency of networks to support decarbonisation and the circular use of resources.
- **Net Financial Position: €4,755 million** (€4,683 million at 31 December 2023). Net of changes in the scope of consolidation for the period, amounting to -€18 million, the NFP grew by €72 million, after investments of €220 million. The NFP/EBITDA rolling ratio was 2.2x, down from 2.4x at 31 December 2023.
- **Growth in the customer base** in the energy retail segment: +454 thousand compared to March 31, 2023 (+15%).
- **Ratio of sustainable debt** to the Group's total gross debt at 75% (70% at 31 December 2023).
- **Upward revision of guidance**: The Group will target an **EBITDA of between €2.08 and €2.12 billion for 2024 and a Group Net Ordinary Profit of between €650 and €670 million** based on the good results of the first quarter and the solid performance expected by the Generation & Trading and Market Business Units during the remaining part of the year.

Energy transition

- A sale and purchase agreement has been signed for the branch of the electricity grid managed by e-distribuzione in some areas of Lombardy, specifically in the provinces of Milan and Brescia. For A2A, the transaction – which will be completed by 31 December 2024 – will increase the number of electric PODs installed in 2023 by approximately 70%, from approximately 1.3 million to approximately 2.1 million, in an area of Lombardy where the Group is already present in electricity distribution, thus enabling important industrial synergies.

- The new flue gas purification line of the Brescia waste-to-energy plant has been inaugurated, an innovative technology thanks to which available energy is reused and waste heat is recovered, contributing to the decarbonisation of the city's district heating.

- Acquired 70% of Parco Solare Friulano 2 which has obtained the permit for the construction and operation of a photovoltaic system with an authorized capacity of 112.1 MWp.

- Green energy production amounted to 1.3TWh, +83% compared to the same period last year, thanks to greater hydraulics and the contribution of the Matarocco wind farm.

Sustainability

- Direct carbon dioxide emissions (Scope 1 + Scope 2) down 43% compared to the value of the first quarter of 2023.
- 64% of eligible investments for the purposes of the European Taxonomy.
- Ratio of sustainable debt to the Group's total gross debt at 75% (70% at 31 December 2023).
- In January, A2A joined the International Capital Market Association (ICMA), which reinforces the Group's commitment to sustainable finance.

The Board of Directors of A2A S.p.A. has examined and approved the Quarterly Report as at 31 March 2024

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Milan, 14 May 2024 - The Board of Directors of A2A S.p.A. met today and, under the chairmanship of Roberto Tasca, examined and approved the Quarterly Report as at 31 March 2024.

"The results of this first quarter of 2024 confirm the continuous improvement of the Group's economic and financial indicators. The performance achieved thanks to the growth of renewables - in particular hydroelectric production - and the diversification of the businesses have allowed us to revise upwards the guidance, with an expected EBITDA between €2.08-2.12 billion euros and a net ordinary profit of the Group between 650-670 million euros" comments **Renato Mazzoncini, CEO of A2A** *"In these first few months, an agreement was concluded for the acquisition of a branch of the electricity grid in Lombardy, an investment in highly populated and industrialized areas, which will allow the RAB to increase to 3.4 billion in 2035. The new flue gas purification line of the Brescia waste-to-energy plant was also inaugurated, a further important contribution to the decarbonisation of the city. The good performance of the Market BU and the growth in the number of our customers are confirmed with the awarding of the auctions of the gradual protection service for micro-enterprises and commercial development. These results have been achieved thanks to the commitment and dedication of our people who make the objectives of our Business Plan a reality"*.

In the first quarter of 2024, A2A continued to record excellent economic and financial results, showing significant growth compared to the same period of the previous year, penalized by the persistence of drought and instability in the energy markets that had marked 2022.
In the first three months of the year under review, the average value of the PUN (Single National Price) Base Load decreased by 41.6% compared to the same period of 2023 (from 157 €/MWh in 2023 to 91.9 €/MWh in 2024) and the average cost of gas at the PSV decreased by 48.9% (from 57 €/MWh in 2023 to 29 €/MWh in 2024).
In this context, characterized by a significant contribution from hydroelectric production and downward trends in energy prices, the Group achieved significant increases in operating margins by optimizing the

integrated electricity production portfolio and adopting effective hedging strategies and profitable business development actions.

Main Economic Indicators

Million euros	**3M2024**	**3M 2023 Restated**	**Δ**	**Δ%**
Revenues	**3,425**	**5,133**	-1,708	-33%
Gross Operating Margin – EBITDA	**703**	**501**	202	40%
Net operating Income – EBIT	**465**	**289**	176	61%
Net Profit	**294**	**173**	121	70%

In the period under review, **Group revenues** amounted to €**3,425 million,** down 33% compared to the same period of the previous year (€5,133 million). More than 90% of the change is attributable to the fall in energy prices and to a very limited extent to lower volumes sold and brokered on wholesale markets, partly offset by higher quantities sold in the retail sector.

In line with the trend in revenues and the dynamics related to the commodities market, **operating costs** amounted to €**2,507 million,** recording a significant reduction compared to the same period of the previous year **(-43%).**
Personnel **costs, amounting to €215 million,** increased by approximately **€17 million** (+9%), The change is approximately 40% linked to the higher number of FTEs (Full-Time Equivalents) in the first quarter of 2024 compared to the previous year (+436 FTEs, +3.2%) as a result of hires made during 2023 and the first three months of 2024, the start-up and upgrading of plants and structures in line with the Group's development objectives, as well as the awarding of tenders in the waste collection sector and the acquisition of a new company (Agesp Energia of the Acinque group). The remainder of the increase is attributable to the effects of salary increases for contract renewals (CCNL Urban Hygiene, Electricity, Gas and Water), merit increases and other indirect personnel costs (mainly welfare projects).

EBITDA amounted to €**703 million,** up 40%, +202 million compared to the first three months of 2023 (501 million euros).
Net of non-recurring items (+€4 million in 2024, +€8 million in 2023), **Ebitda before extraordinary operations amounted to €699 million** , up 42%, +€206 million, compared to the first quarter of the previous year (€493 million) thanks to the contribution of the Generation & Trading Business Unit and the Market Business Unit, which achieved excellent results by seizing the opportunities offered by a more stable environment. compared to that of the first months of 2023.

Net Operating Profit stood at €**465 million**, up 61%, +€176 million compared to 2023 (€289 million). This positive change is attributable to the increase in EBITDA, partly offset by the increase in depreciation and amortisation of €26 million, mainly relating to the investments made by the Group in the period April 2023-March 2024.

Net Financial Expense amounted to €32 million, down from €36 million in the first quarter of 2023 thanks to higher financial income in the first three months of 2024.
Taxes amounted to €127 million, with a tax rate of 29% (30% in the same period of the previous year), up €51 million compared to the first three months of 2023 due to the increase in the tax base.

For the above dynamics, **Net Profit attributable to the Group** amounted to €**294 million** , up 70% compared to the first quarter of 2024 (€173 million at 31 March 2023).

Capex made in the first three months of 2024 amounted to **€220 million (€219 million in the first quarter of 2023) and almost 60%** of them concerned development interventions mainly aimed at modernising the electricity distribution networks necessary to support the progressive electrification of consumption and the growth of renewable sources, and the development of photovoltaic systems.

M&A transactions amounted to **€18 million,** related to the acquisition of Agesp Energia, a company that sells electricity, gas and heat operating in the Busto Arsizio area (Varese), by the Acinque group.

The Net Financial Position at 31 March 2024 amounted to €4,755 million (€4,683 million at 31 December 2023). Excluding the changes in the scope of consolidation that occurred during the period under review, amounting to -€18 million, the NFP amounted to €4,737 million , after investments of 220 million euros, recording a net cash absorption of 54 million euros.

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A2A Group - Results by Business Unit

The following summary table shows Ebitda breakdown by Business Unit.

Million euro	**03.31.2024**	**03.31.2023**	**Change**	**Change %**
Generation & Trading	298	179	119	66.5%
Market	135	48	87	181.3%
Waste	117	122	-5	-4.1%
Smart Infrastructures	166	159	7	4.4%
Corporate	-13	-7	-6	*ns*
Total	**703**	**501**	**202**	40.3%

Generation & Trading Business Unit

In the first three months of 2024, the Generation & Trading Business Unit contributed to the coverage of A2A Group's sales needs, through 2.6 TWh of electricity produced by its plants (4.3 TWh at 31 March 2023). In particular, energy generation from renewable sources amounted to 1.3TWh, almost doubling compared to the same period of the previous year thanks to higher hydroelectric volumes (+104%) following the increase in rainfall recorded in the quarter compared to the same period of 2023 - penalized by the persistence of the severe drought that had affected 2022 - and to the contribution of the Matarocco wind farm in operation since September last year.
Thermoelectric generation in the period stood at 1.3 TWh, down 64% compared to the same period of the previous year (3.6 TWh as of March 31, 2023). The contraction mainly concerned combined-cycle power plants (-44%) as a result of lower contestable demand, due to the increase in imports and the simultaneous increase in production from renewable sources. The conclusion of the emergency measure, launched in 2022 and with effects also in 2023, of maximizing the production of power plants powered by sources other than natural gas led to the decrease in the production of the plant under the essential regime of San Filippo del Mela and the zeroing of that of the Monfalcone coal-fired plant.

Revenues for the period amounted to €2,266 million, down by €1,933 million (-46%) compared to the first three months of the previous year, both due to lower volumes sold and brokered, in particular electricity, and lower unit prices.

The EBITDA of the Generation & Trading Business Unit amounted to €298 million, up 66.5%, +€119 million compared to the first three months of 2023.
The positive change is mainly attributable to:

- positive effects resulting from the higher hydraulicity that benefited the first quarter of the year compared to the same period of last year, penalized by the drought that had led to a significant contraction in hydroelectric production and consequently, where necessary, a very expensive recourse to the spot market in a context of still high prices;
- contribution of production from wind plants;
- effective hedging strategies which, combined with the absence in the current year of the effects of the Sostegni Ter decree (two-way compensation mechanism on the price of electricity injected for RES plants) in place in the first three months of 2023, have made it possible to offset the reduction in the price of energy commodities.

The positive impacts were partly offset by the lower contribution of thermoelectric production and a contraction in margins of the ancillary services markets (MSD), both due to lower requests from Terna and a lower valuation of the quantities offered.

In the period under review, capex amounted to approximately €31 million (€36 million in the same period of 2023) and concerned approximately €11 million in extraordinary maintenance activities, of which approximately €7 million for thermoelectric plants and €3 million for the Group's hydroelectric plants.
In addition, development interventions were carried out for a total of €20 million, of which €10 million related to photovoltaic and wind power plants aimed at accelerating the growth of generation from renewable sources and €10 million for interventions on combined cycle thermoelectric plants (new CCGT Monfalcone and endothermic engines of the Cassano power plant) aimed at ensuring flexibility, coverage of peak demand and balancing of the grid's energy needs.

Market Business Unit

In the first three months of 2024, the Market Business Unit recorded 6.2 TWh of electricity sales, up 9% compared to the same period of the previous year, thanks to the increase in volumes supplied to large customers and the greater contribution of the Gradual Protection Service, partly offset by the lower quantities sold to customers subject to the safeguard regime.
Gas sales, amounting to 1.2 billion cubic meters, show a growth of 1% compared to the first quarter of 2023 as a result of higher volumes destined for large customers.

With reference to points of delivery, there was a 30.1% increase in the number of PODs relating to the electricity market thanks to the awarded auction of the Gradual Protection Service for micro-enterprises and to the commercial development in the period under review.
In general, there has been an important shift in the customer base from the protected market to the free mass market, both as a result of the full liberalisation of non-vulnerable domestic gas customers starting from January 2024 and of the commercial actions taken by the Group.

Revenues amounted to €1,825 million (€2,403 million at 31 March 2023). The decrease was mainly due to the decrease in unit prices for both electricity and gas, partly offset by the increase in quantities sold.

The EBITDA of the Market Business Unit stood at €135 million, up €87 million compared to the first quarter of the previous year (€48 million at 31 March 2023), confirming the positive growth trend shown in the fourth quarter of the previous year.

The increase in margin is attributable to:

- increase in the customer base in the mass market segment;
- growth in volumes sold to the segment of large customers, both electricity and gas;
- higher unit margins

The growth reflects the effects of commercial development actions but also the reabsorption of the negative impacts on margin dynamics linked to the situation of exceptional instability in the commodity markets, still present in the first months of 2023 and gradually easing over the course of the year.
These positive effects more than offset the lower margin of the safeguard market due to the contraction in volumes sold, the higher costs related to retention actions activated by the Group on its customer base already during 2023 and the increase in operating costs for customer acquisition and management activities.

Investments in the first three months of 2024 amounted to €25 million (€19 million in the same period of 2023) and concerned:

- the energy retail segment with €24 million for capitalised charges for the acquisition of new customers and for evolutionary maintenance and development of the Hardware and Software platforms, aimed at supporting the invoicing and customer management activities of the Group's sales companies;
- the Energy Solutions sector with €1 million for energy efficiency projects.

Waste Business Unit

In the first quarter of 2024, net waste disposed amounted to 984 thousand tons (+9% compared to the same period of the previous year) thanks to the contribution of both energy recovery plants, in particular the Parona waste-to-energy plant, and those devoted to material recovery such as the plants dedicated to OFMSW (Organic Fraction of Municipal Solid Waste) in Lacchiarella and Cavaglià and those for paper recycling and bulky items.
The amount of electricity produced, amounting to 528 GWh, increased by 5% compared to the previous year thanks to the contribution of line 3 of the Parona waste-to-energy plant, which has been active since September 2023, partially offset by the lower availability of other plants due to longer maintenance stops.
The volumes of heat sold grew by 5% as a result of an increase in demand from the district heating sector.

In the first three months of 2024, the Environment Business Unit recorded revenues of €385 million (€382 million at 31 March 2023).

The EBITDA of the Waste Management Business Unit amounted to €117 million, down by €5 million compared to 31 March 2023.
Net of non-recurring items recorded (+€1 million in 2024), Ordinary Ebitda stood at €116 million (€122 million at 31 March 2023).
This result was determined by:

- -€1 million in the Waste collection segment, mainly due to the increase in personnel costs, partially offset by higher revenues from separate waste collection;
- -€8 million relating to Municipal Waste Treatment Plants, mainly due to lower revenues from the sale of electricity due to the negative effects of the energy scenario on WTE and biomass plants (Sant'Agata di Puglia), partially offset by higher volumes disposed of and the increase in electricity produced by waste-to-energy plants;
- +€3 million relating to the Industrial Waste Treatment Plants segment, mainly due to higher deliveries to the plants (Crotone waste-to-energy plant, Corteolona landfill and Robassomero platform).

Capex in the first quarter of 2024 amounted to €20 million (€37 million in the first three months of 2023) and concerned:

- development interventions for €7 million, of which €2 million related to waste-to-energy plants, €1 million to OFMSW plants, €1 million to those intended for material recovery and about €2 million to other treatment plants.
- maintenance measures of €13 million, relating to waste-to-energy plants (€7 million), waste treatment plants (€2 million) and the collection sector (€4 million).

Business Unit Smart Infrastructures

In the first three months of 2024, the RAB (Regulatory Asset Base) of electricity, gas and water distribution grew by 17%, 9% and 21% respectively thanks to the increase in investments.
The Business Unit's heat sales in the period under review amounted to 1.4 TWht, an increase of more than 6% compared to the volumes sold in the first three months of the previous year.
Electricity produced by cogeneration plants amounted to 267 GWh, in line with the first quarter of the previous year.

In the period under review, revenues from the Smart Infrastructures Business Unit amounted to €419 million (€471 million at 31 March 2023). The change is due to lower revenues from the district heating sector attributable to the drop in unit prices and lower activity related to'superbonus', partially offset by higher allowed revenues in regulated networks.

The EBITDA of the Smart Infrastructures Business Unit in the first quarter of 2024 amounted to €166 million (€159 million euros at 31 March 2023).
Net of non-recurring items (+€3 million in the first quarter of 2024, +€7 million in the corresponding period of the previous year), the Business Unit's Ordinary Ebitda amounted to €163 million, up €11 million compared to the first three months of 2023.
The change in margin was driven by:

- +€5 million relatied to the electricity and gas distribution networks for the increase in regulated revenues following the update of the rate of return on invested capital by ARERA (Regulatory Authority for Energy, Networks and the Environment) for the year 2024, partly offset by lower revenues from services;
- +€6 million relating to the water cycle due to the decrease in electricity costs and the increase in regulated revenues;
- -€1 million related to the heat sector. The change is due to the decrease in the prices of electricity sold and the lower margins related to the 'superbonus', partially offset by the higher volumes of district heating sold and the revenues from the sale of white certificates recognized for the Tecnocity and Canavese cogeneration plants.

Capex in the first quarter of 2024 amounted to €130 million (€117 million in the same period of 2023) and concerned:

- €53 million for the electricity distribution segment: for the connection of new users, interventions on primary systems and secondary substations, the expansion of remote control, the renovation of the medium and low voltage network;
- €30 million for the gas distribution segment: for the connection of new users, the replacement of medium and low pressure pipes;
- €21 million for the integrated water cycle segment: for maintenance and development of the water transport and distribution network, as well as interventions and renovations of sewerage networks and purification plants;
- €19 million for district heating and heat management;
- €3 million for the public lighting sector for new projects;
- €2 million for the e-mobility segment for the installation of new charging stations;
- for €2 million for the Smart City segment, mainly for the laying of fibre optics, radio frequency and data centres.

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Balance sheet

It should be noted that the scope of consolidation as at 31 March 2024 changed compared to 31 December 2023 for the following transactions:

- acquisition by Acinque S.p.A. of 70% of Agesp Energia S.r.l., a company operating in the sale of electricity and gas, with consequent full consolidation;

- establishment of the A2A Storage S.r.l. company by A2A Rinnovabili S.p.A., which owns 100%, consolidated on a line-by-line basis;

- disposal of Tula Bioenergia Soc. Agr. a r.l. company, previously consolidated on a line-by-line basis.

millions of euro	**03.31.2024**	**12.31.2023**	**Change**
CAPITAL EMPLOYED			
Net fixed asset	**9,756**	**9,567**	**189**
- Tangible assets	6,640	6,643	(3)
- Intangible assets	3,660	3,630	30
- Shareholdings and other non-current financial assets (*)	86	83	3
- Other non-current assets/liabilities (*)	(62)	(188)	126
- Deferred tax assets/liabilities	469	464	5
- Provisions for risks, charges and liabilities for landfills	(803)	(828)	25
- Employee benefits	(234)	(237)	3
of which with counter-entry to equity	*(97)*	*(98)*	
Net Working Capital and Other Current Assets/Liabilities	**100**	**(82)**	**182**
Net Working Capital:	***681***	***(246)***	***927***
- Inventories	432	319	113
- Trade receivables	3,515	3,540	(25)
- Trade payables	(3,266)	(4,105)	839
Other current assets/liabilities:	***(581)***	***164***	***(745)***
- Other current assets/liabilities (*):	(429)	193	(622)
- Current tax assets/tax liabilities	(152)	(29)	(123)
of which with counter-entry to equity	*(12)*	*(7)*	
Assets/liabilities held for sale (*)	**0**	**0**	**0**
of which with counter-entry to equity			
TOTAL CAPITAL EMPLOYED	**9,856**	**9,485**	**371**
SOURCES OF FUNDS			
Shareholders' equity	**5,101**	**4,802**	**299**
Total financial position after one year	5,422	5,571	(149)
Total financial debt within one year	(667)	(888)	221
Total Net Financial Position	**4,755**	**4,683**	**72**
of which with counter-entry to equity	*(2)*	*0*	
TOTAL SOURCES	**9,856**	**9,485**	**371**

(*) Excluding balances included in the Net Financial Position

Net fixed capital

"**Net fixed capital**" amounted to €9,756 million, an increase of €189 million compared to 31 December 2023.

Changes are detailed below:

- Tangible assets decreased by €3 million, corresponding to:
  - capex of €128 million due to the development and maintenance of electricity distribution plants, the expansion and renovation of the medium and low voltage grid, as well as the installation of new electronic meters for €47 million, interventions on thermoelectric and hydroelectric power plants and energy plants from renewable sources for €29 million, interventions on waste treatment and waste-to-energy plants for €14 million, the development of district heating networks for €14 million, interventions on buildings for €10 million, the acquisition of mobile waste collection vehicles and other equipment for €4 million, investments aimed at the development of the energy efficiency plan for €4 million, €2 million in work on the fibre optic and gas transportation network, €2 million in investments in the electric vehicle charging network, and €2 million in the implementation of telecommunications equipment;
  - first consolidation of Agesp Energia S.r.l., which resulted in an increase of €13 million;
  - decrease of €143 million attributable to depreciation and amortisation for the period;
  - decrease of €1 million as a result of disposals for the period, net of the related accumulated depreciation;

- Intangible assets show an increase of €30 million compared to 31 December 2023 attributable to:

  - capex of €92 million, due to the development and maintenance of gas distribution plants and the replacement of medium and low pressure underground pipes for €30 million, the implementation of information systems for €28 million, works on the water transport and distribution network, sewerage networks and purification plants for €19 million, €14 million in costs incurred for new acquisitions and maintenance of the customer portfolio, as well as design costs mainly due to the development of new renewable energy plants for €1 million;
  - the first consolidation of Agesp Energia S.r.l., which resulted in an increase of €12 million, mainly attributable to the goodwill generated by the transaction;
  - reduction of €73 million attributable to depreciation and amortization for the period;
  - a decrease of €1 million as a result of disposals for the period, net of the related amortization allowance;

- Shareholdings and other non-current financial assets amounted to €86 million, an increase of €3 million compared to 31 December 2023. The increase is mainly attributable to increases in the value of investments in associates as a result of the valuation using the equity method and to increases as a result of the first consolidations;

- Other non-current assets and liabilities show a net decrease in liabilities of €126 million, due to a decrease in security deposits of €97 million, an increase in other miscellaneous receivables of €31 million, mainly attributable to Ecobonus receivables, and other decreases of €2 million;

- Deferred tax assets amounted to €469 million (€464 million at 31 December 2023), a net increase of €5 million, mainly attributable to increases due to initial consolidations and other adjustments during the period;

- Provisions for risks, charges and liabilities for landfills at 31 March 2024 amounted to €803 million, a decrease of €25 million. The change in the period is attributable to net provisions for the period €7 million mainly relating to higher hydroelectric licence fees, the contribution of the first consolidations of €1 million and other increases of €2 million. These increases were more than offset by the use of €35 million for the period attributable to hydroelectric surcharges of €26 million, the incurrence of decommissioning and landfill costs of €5 million and other changes of €4 million;

- Employee benefits decreased by €3 million, due to disbursements for the period and payments to welfare funds, net of provisions for the period.

Net Working Capital and Other Current Assets/Liabilities

"**Net Working Capital**", defined as the algebraic sum of trade receivables, ending inventories and trade payables, amounted to €681 million, an increase of €927 million compared to 31 December 2023. The main items are commented below:

Inventories

millions of euro	**Balance at 12.31.2023**	**First-time consolidation effect acquisitions 2024**	**Changes**	**Balance at 03.31.2024**
- Materials	138	-	(5)	133
- Material obsolescence provision	(25)	-	(1)	(26)
Total materials	**113**	**-**	**(6)**	**107**
- Fuel	199	-	(140)	59
- Others	5	-	261	266
Raw and ancillary materials and consumables	**317**	**-**	**115**	**432**
Third-party fuel	2	-	(2)	0
Total inventories	**319**	**-**	**113**	**432**

"Inventories" amounted to €432 million (€319 million at 31 December 2023), net of the related obsolescence provision of €26 million, an increase of €113 million compared to 31 December 2023. The change is mainly attributable to an increase in other inventories of €261 million, offset by lower stocks of fuels for electricity production and inventories of gas for sales and storage activities of €140 million, due to seasonality.

Trade receivables

millions of euro	**Balance at 12.31.2023**	**First-time consolidation effect acquisitions 2024**	**Changes**	**Balance at 03.31.2024**
Trade receivables – invoices issued	1,807	20	169	1,996
Trade receivables – invoices to be issued	1,973	-	(200)	1,773
(Bad debts provision)	(240)	(4)	(10)	(254)
Total trade receivables	**3,540**	**16**	**(41)**	**3,515**

At 31 March 2024, trade receivables amounted to €3,515 million (€3,540 million at 31 December 2023), a decrease of €41 million, net of the effect of extraordinary transactions of €16 million.

The "Provision for credit risks " amounted to €254 million, net of the effect of initial consolidations, a net increase of €10 million, due to provisions of €15 million and uses for the period of €5 million.

Trade receivables ageing is detailed here below:

Millions of euro	**03.31.2024**	**12.31.2023**
Trade receivables of which:	**3,515**	**3,540**
Current	**1,307**	**1,195**
Past due of which:	**689**	**612**
Past due up to 30 days	*123*	*114*
Past due from 31 to 180 days	*204*	*202*
Past due from 181 to 365 days	*155*	*114*
Past due over 365 days	*206*	*182*
Invoices to be issued	**1,773**	**1,973**
Bad debts provision	**(254)**	**(240)**

Trade payables

millions of euro	**Balance at 12.31.2023**	**First-time consolidation effect acquisitions 2024**	**Changes**	**Balance at 03.31.2024**
Advances and payables to customers	6	-	(3)	3
Payables to suppliers	4,099	11	(847)	3,263
Total trade payables	**4,105**	**11**	**(850)**	**3,266**

"Trade payables" amounted to €3,266 million, a decrease of €850 million compared with the end of the previous year, net of the effect of the first consolidation for the period of €11 million. This change is mainly due to the reduction in the price of commodities.

"Other current assets/liabilities" showed a net decrease of €745 million compared to 31 December 2023. The main changes are attributable to:

- a decrease in security deposits of €375 million;
- net increase in payables to the Treasury for VAT, excise duties and other indirect taxes of €162 million;
- net increase in payables to the Energy and Environmental Services Fund of €71 million;
- net increase in current tax payables of €123 million;
- €11 million increase in payables to staff and social security institutions;
- net decrease in other current assets of €3 million.

Below the breakdown of the Net Working Capital by Business Unit, including changes to other current assets/liabilities:

millions of euro	03.31.2024	12.31.2023	Change
Generation & *Trading*	(709)	(574)	(135)
Market	745	586	159
Waste	(65)	(30)	(35)
Smart Infrastructures	(75)	27	(102)
Corporate	204	(91)	295
TOTAL	**100**	**(82)**	**182**

Consolidated "**Capital Employed**" as at 31 March 2024 amounted to €9,856 million and is covered by Equity of €5,101 million and net financial position of €4,755 million.

Equity amounted to €5,101 million, with a positive change of €299 million.
The positive change was due to the result for the period of €307 million (€294 million attributable to the Group and €13 million attributable to minority interests). There was a net decrease in cash flow hedge derivatives and IAS 19 reserves for a total of €2 million, as well as other decreases of €6 million.

The "**Consolidated Net Financial Position**" at 31 March 2024 amounted to €4,755 million (€4,683 million at the end of 2023). Gross debt amounted to €6,201 million, an increase of €161 million compared to 31 December 2023. Cash and cash equivalents amounted to €1,407 million, down €222 million. Other net financial assets and liabilities show a surplus of €39 million, a net decrease of €11 million compared to 31 December 2023.

The fixed-rate portion of gross debt is 84%. The duration is 5.8 years.

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Change in Consolidated Net Financial Position

The following table summarises the changes in the Net Financial Position.

millions of euro	03.31.2024	03.31.2023
EBITDA	703	501
Change Net Working Capital	(927)	(663)
Changes in Other assets/liabilities	452	310
Utilization of provisions, net taxes and net financial expenses	(62)	(32)
Operating cash flow	**166**	**116**
Capital Expenditure	(220)	(219)
Property disposals	-	-
Cash flow before dividend payment	**(54)**	**(103)**
Dividends		
Net cash flow	**(54)**	**(103)**
Change in scope	(18)	(12)
Change in Net Financial Position	**(72)**	**(115)**

During the period, net cash absorption amounted to €54 million, after capex of €220 million, in addition to changes in the scope of consolidation of €18 million during the period.

With reference to net cash absorption, it should be noted that:

- the change in Trade Receivables, Trade Payables and Inventories resulted in cash absorption of €927 million as a result of the reduction in trade payables of €839 million, an increase in inventories of €113 million and a reduction in trade receivables of €25 million due to the seasonality of the business and the reduction in the price of commodities. It should be noted that the Group carries out non-recourse assignments of receivables on an occasional basis and does not have revolving factoring programs in place.

- The positive change of €452 million in other assets/liabilities mainly refers to the decrease in security deposits, the net increase in payables for VAT, excise duties and other indirect taxes, and the net increase in payables to the Energy and Environmental Services Fund. These changes are partly offset by the reduction in security deposits.
- The payment of net financial charges, taxes and provisions absorbed cash of €62 million.

"Net capex", amounting to €220 million, concerned the following Business Units:

millions of euro	**03.31.2024**	**03.31.2023**	**Change**
Generation & *Trading*	31	36	(5)
Market	25	19	6
Waste	20	37	(17)
Smart Infrastructures	130	117	13
Corporate	14	10	4
TOTAL	**220**	**219**	**1**

For a description of the main interventions carried out, please refer to the section on BU results, above.

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Business outlook

The significant results of the first three months of the year and the solid performance expected by the Generation & Trading and Market Business Units during the remaining quarters allow us to revise upwards the guidance for the year 2024.

The Group is expected to achieve:

- an EBITDA between €2.08 and €2.12 billion
- a Group Net Ordinary Profit, between €650 and €670 million.

The A2A Group constantly monitors the evolution of the context, which remains characterised by high economic and geopolitical uncertainty and, as it has done in other volatile circumstances, promptly identifies possible mitigation actions, aimed at greater protection of the economic and financial position.

Alternative Performance Indicators (AIPs)

This press release uses a number of alternative *performance* indicators (AIPs) that are not required by the international accounting standards adopted by the European Union (IFRS-EU), in order to allow a better assessment of the performance of the A2A Group's economic and financial operations. In accordance with the recommendations of the new ESMA Guidelines published in July 2020 and applicable from 5 May 2021, the meaning, content and basis of calculation of these indicators are set out below:

- **EBITDA (Gross operating margin):** alternative operating performance indicator, calculated as the sum of "Net operating profit" plus "Depreciation, amortization, provisions and write-downs";

- **Ordinary EBITDA**: alternative operating performance indicator, calculated as Ebitda described above, net of items, both positive and negative, deriving from transactions or operations that are not repeatable in future years (e.g. adjustments relating to past years)
- **Net Ordinary Operating Result (EBIT):** alternative operating performance indicator, calculated by excluding items deriving from non-recurring transactions from the Net Operating Result;
- **Special Items:** non-recurring events that occurred during the year that had an effect on the consolidated income statement;
- **"Ordinary Net Profit" (Ordinary Net Profit):** alternative performance indicator, calculated by excluding the impact of special items from each income statement item;
- **Net financial position** is an indicator of one's financial structure. This indicator is calculated as the result of current and non-current financial payables, the non-current portion of trade payables and other unremunerated payables that have a significant implicit financing component (payables with a maturity of more than 12 months), net of cash and cash equivalents, and current and non-current financial assets (financial receivables and securities other than equity investments).
- **Capex:** an alternative *performance* indicator used by the A2A Group as a financial objective in the context of both internal Group presentations (*Business Plan*) and external presentations (presentations to financial analysts and investors) and constitutes a useful measurement of the resources used in the maintenance and development of the A2A Group's investments.
- **M&A**: alternative performance indicator used by the A2A Group to represent the overall impact on the balance sheet of growth transactions by external line.

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On the basis of the provisions of the Issuers' Regulation, as amended by Consob, with Resolution no. 19770 of 26 October 2016 with effect from 2 January 2017, Article 82-ter (Additional periodic financial information), the Board of Directors, in order to ensure continuity and regularity of information to the financial community, resolved to continue to publish, on a voluntary basis, quarterly information, adopting the following communication policy starting from the 2017 financial year and until otherwise resolved.

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The Manager in charge of preparing the corporate financial reports of A2A S.p.A., Luca Moroni, declares – pursuant to art. 154-bis, paragraph 2 of the Consolidated Law on Finance (Legislative Decree 58/1998) – that the accounting information contained in this press release corresponds to the document results, books and accounting records.

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The financial statements of the A2A Group as at 31 March 2024 are attached.

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CONSOLIDATED BALANCE SHEET (millions of euro)	03.31.2024	12.31.2023
ASSETS		
NON-CURRENT ASSETS		
Tangible assets	6,640	6,643
Intangible assets	3,660	3,630
Shareholdings carried according to equity method	31	30
Other non-current financial assets	69	67
Deferred tax assets	469	464
Other non-current assets	168	138
TOTAL NON-CURRENT ASSETS	**11,037**	**10,972**
CURRENT ASSETS		
Inventories	432	319
Trade receivables	3,515	3,540
Other current assets	1,556	2,264
Current financial assets	21	33
Current tax assets	33	41
Cash and cash equivalents	1,407	1,629
TOTAL CURRENT ASSETS	**6,964**	**7,826**
NON-CURRENT ASSETS HELD FOR SALE	**-**	**-**
TOTAL ASSETS	**18,001**	**18,798**
EQUITY AND LIABILITIES		
EQUITY		
Share capital	1,629	1,629
Reserves	2,608	1,952
Result of the year	-	659
Result of the period	294	-
Equity pertaining to the Group	**4,531**	**4,240**
Minority interests	570	562
Total equity	**5,101**	**4,802**
LIABILITIES		
NON-CURRENT LIABILITIES		
Non-current financial liabilities	5,425	5,576
Employee benefits	234	237
Provisions for risks, charges and liabilities for landfills	803	828
Other non-current liabilities	241	335
Total non-current liabilities	**6,703**	**6,976**
CURRENT LIABILITIES		
Trade payables	3,266	4,105
Other current liabilities	1,984	2,070
Current financial liabilities	762	775
Tax liabilities	185	70
Total current liabilities	**6,197**	**7,020**
Total liabilities	**12,900**	**13,996**
LIABILITIES DIRECTLY ASSOCIATED WITH NON-CURRENT ASSETS HELD FOR SALE	**-**	**-**
TOTAL EQUITY AND LIABILITIES	**18,001**	**18,798**

CONSOLIDATED INCOME STATEMENT (millions of euro)	01.01.2024 03.31.2024	01.01.2023 03.31.2023 Restated(*)
Revenues		
Revenues from the sale of goods and services	3,364	5,094
Other operating income	61	39
Total Revenues	**3,425**	**5,133**
Operating expenses		
Expenses for raw materials and services	2,435	4,355
Other operating expenses	72	79
Total Operating expenses	**2,507**	**4,434**
Labour costs	**215**	**198**
Gross operating income - EBITDA	**703**	**501**
Depreciation, amortization, provisions and write-downs	**238**	**212**
Net operating income - EBIT	**465**	**289**
Result from non-recurring transactions	**-**	**-**
Financial balance		
Financial income	26	17
Financial expenses	58	53
Affiliates	1	2
Total financial balance	**(31)**	**(34)**
Result before taxes	**434**	**255**
Income taxes	**127**	**76**
Result after taxes from operating activities	**307**	**179**
Net result from discontinued operations	-	2
Net result	**307**	**181**
Minorities	**(13)**	**(8)**
Group result of the period	**294**	**173**

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME (millions of euro)	03.31.2024	03.31.2023
Net result of the period (A)	**307**	**181**
Effective part of gains/(losses) on cash flow hedge	(3)	(24)
Tax effect of other gains/(losses)	1	7
Total other gains/(losses) net of the tax effect of companies consolidated on a line-by-line basis (C)	**(2)**	**(17)**
Total comprehensive result (A)+(B)+(C)+(D)	**305**	**164**
Total comprehensive result attributable to:		
Shareholders of the parent company	**292**	**156**
Minority interests	**(13)**	**(8)**

With the exception of the actuarial effects on employee benefits recognized in equity, the other effects stated above will be reclassified to the Income Statement in subsequent years.

(*) The values as at 31 March 2023 have been restated to make them consistent with the values as at 31 March 2024 by reclassifying from the item "Net result from discontinued operations " revenues, operating costs and depreciation related to Water activities subject to sale.

CONSOLIDATED CASH-FLOW STATEMENT (millions of euro)	03.31.2024	03.31.2023
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE PERIOD	**1,629**	**2,584**
Operating activities		
Net Result	307	181
Net income taxes	127	76
Net financial interests	32	36
Capital gains/expenses	(1)	-
Tangible assets depreciation	143	125
Intangible assets amortization	73	65
Fixed assets write-downs/disposals	2	5
Net provisions	22	22
Result from affiliates	(1)	(2)
Net financial interests paid	(26)	(23)
Net taxes paid	(1)	(1)
Change in trade receivables	26	392
Change in trade payable	(850)	(1,433)
Change in inventories	(113)	362
Other changes	447	320
Cash flow from operating activities	**187**	**125**
Investment activities		
Investments in tangible assets	(128)	(134)
Investments in intangible assets and goodwill	(92)	(85)
Investments in shareholdings and securities (*)	(19)	(12)
Cash and cash equivalents from first consolidations asset	1	-
Cash flow from investment activities	**(238)**	**(231)**
FREE CASH FLOW	**(51)**	**(106)**
Financing activities		
Changes in financial assets		
Issuance of loans	-	-
Proceeds from loans	-	-
Other changes	12	(7)
Total changes in financial assets (*)	**12**	**(7)**
Changes in financial liabilities		
Borrowings/bonds issued	161	944
Repayment of borrowings/bond	(323)	(759)
Other changes	(21)	(16)
Total changes in financial liabilities (*)	**(183)**	**169**
Cash flow from financing activities	**(171)**	**162**
CHANGE IN CASH AND CASH EQUIVALENTS	**(222)**	**56**
CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD	**1,407**	**2,640**

(*) Cleared of balances in return of shareholders' equity and other balance sheet items.

Statement of changes in Group equity
(millions of euro)

Description	Share capital	Treasury shares	Cash Flow Hedge	Other Reserves and retained earnings	Result of the period/year	Total Equity pertaining to the Group	Minority interests	Total Net shareholders equity
Net equity at 31 December 2022	**1,629**	**-**	**30**	**1,839**	**401**	**3,899**	**568**	**4,467**
Changes in the first quarter of 2023								
2022 result allocation				401	(401)			
Distribution of dividends							(10)	(10)
IAS 19 reserves (*)								
Cash flow hedge reserves (*)			(17)			(17)		(17)
Other changes				(1)		(1)	1	
Group and minorities result of the period					173	173	8	181
Net equity at 31 March 2023	**1,629**	**-**	**13**	**2,239**	**173**	**4,054**	**567**	**4,621**
Changes from 1st April 2023 to 31st December 2023								
2022 result allocation								
Distribution of dividends				(283)		(283)	(9)	(292)
IAS 19 reserves (*)				2		2		2
Cash flow hedge reserves (*)			(15)			(15)		(15)
Change in scope				(2)		(2)	(2)	(4)
Other changes				(2)		(2)	(10)	(12)
Group and minorities result of the period					486	486	16	502
Net equity at 31 December 2023	**1,629**	**-**	**(2)**	**1,954**	**659**	**4,240**	**562**	**4,802**
Changes in the first quarter of 2024								
2023 result allocation				659	(659)			
Distribution of dividends							(9)	(9)
IAS 19 reserves (*)								
Cash flow hedge reserves (*)			(2)			(2)		(2)
Change in scope								
Other changes				(1)		(1)	4	3
Group and minorities result of the period					294	294	13	307
Net equity at 31 March 2024	**1,629**	**-**	**(4)**	**2,612**	**294**	**4,531**	**570**	**5,101**

(*) These form part of the statement of comprehensive income.