A2A, RESULTS AS AT 30 JUNE 2024

MORE THAN 60% OF PRODUCTION FROM RENEWABLE SOURCES

STRENGTHENING ELECTRICITY DISTRIBUTION WITH CAPEX UP 31% COMPARED TO THE FIRST HALF OF 2023

FURTHER IMPROVEMENT OF ECONOMIC AND FINANCIAL PERFORMANCE

2024 GUIDANCE REVISED UPWARDS FOR EBITDA AND ORDINARY NET PROFIT

SUCCESS FOR THE FIRST HYBRID GREEN BOND TO SUPPORT CREDIT RATING, CONFIRMING THE GROUP'S COMMITMENT TO SUSTAINABLE FINANCE

- **EBITDA at 1,279 million euro:** +45% compared to the first half of 2023 (882 million euro).

- **Ordinary Net Profit at 478 million euro:** +86% compared to the same period of 2023 (257 million euro).

- **Revenues of 6,091 million euro:** -24% compared to the first six months of 2023 mainly due to the contraction in energy commodity prices.

- **Capex of 553 million euro,** +12% compared to the first half of the previous year, for the development of photovoltaic plants, the upgrading and efficiency of networks to support decarbonisation, the increase in the flexibility of generation plants and the recovery of materials and energy.

- **Great success for the first hybrid bond, in green format,** to support investments in the energy transition and the circular economy, with orders for 2.9 billion euro, about 4 times the amount offered.

- **Net Financial Position at 4,019 million euro** (4,683 million euro at 31 December 2023). Excluding changes in the scope of consolidation during the period (57 million euro) and the Hybrid Green Bond issuance (-742 million euro), the NFP amounted to 4,704 million euro thanks to an operating cash flow that financed both investments for 553 million euro and dividends for 300 million euro. The NFP/rolling EBITDA ratio was at 1.7x; excluding the impact of the Hybrid Green Bond, with a 100% *equity treatment* for IFRS purposes, the ratio would be at 2.0x, down compared to 31 December 2023 (2.4x).

- **Share of sustainable debt** in the Group's total gross debt at 77% (66% at 30 June 2023).

- **Upward revision of guidance**: The Group will target an **EBITDA of between 2.18 and 2.22 billion euro for 2024 and a Group Net Ordinary Profit of between 700 and 720 million euro** based on the excellent results of the first half of the year, in particular thanks to the solid performance of the Generation & Trading and Market Business Units.

Energy transition

- The generation of energy from renewable sources (hydroelectric, wind and photovoltaic) represents more than 60% of the production and is equal to 3.2 TWh.
- 70 % of the Parco Solare Friulano 2 has been acquired, which has obtained permission for the construction and operation of a photovoltaic plant with an authorized power of 112.1 MWp. With over

150 MWp installed in total, this plant together with the one authorized in 2022 in the same municipalities for a capacity of 59.1 MWp will represent the main photovoltaic hub in the north of the country. In fact, more than 210 GWh per year will be produced, which will make it possible to meet the electricity needs of over 75,000 households, reduce natural gas consumption by about 40 million cubic meters and avoid the emission of about 90,000 tons of CO_2.

- The largest and most powerful photovoltaic system in Italy built on rooftops and among the top 10 in the world has come into operation. The structure was built in the Fiera Milano exhibition center by A2A together with Fondazione Fiera through the Fair Renew joint venture. The plant represents an example of national excellence in the field of renewable energy: thanks to a total installed capacity of 18 MWp and an expected annual production of 21.6 GWh - equal to the consumption of about 7,800 households - it will avoid the emission of over 9,800 thousand tons of CO_2 per year.

Sustainability

- Carbon dioxide emissions (Scope 1 + Scope 2) are down 41% compared to the value of the first half of 2023.
- Capex eligible for the purposes of the European Taxonomy are equal to 72%.

The Group's commitment to sustainable finance continues: during the first half of the year, A2A successfully issued its first subordinated perpetual hybrid bond in Green-use of proceeds format with a nominal value of 750 million euro. The net proceeds from the issuance will be used to finance and/or refinance the *Eligible Green Projects*: strategic circular economy and energy transition projects mainly related to renewable energy, transmission and distribution networks, water cycle and pollution prevention and control, as defined in A2A's Sustainable Finance Framework.
In June 2024, a 600 million euro syndicated term loan facility, in Green–use of proceeds format, was also successfully completed for acquiring assets relating to the electricity grid in certain areas of Lombardy, in the provinces of Milan and Brescia.

Finally, A2A published the new Sustainable Finance Framework, the set of guidelines that strengthen the integration between the Group's financial and sustainability strategies. The update aligns the previous 2022 version with the new objectives set out in the Strategic Plan 2024 -2035. The update maintains an integrated Framework that combines the two approaches: Green/Use-of-Proceeds, for transparency on the use of proceeds for specific projects, and Sustainability-Linked, creating the link with the achievement of sustainability targets.

The share of sustainable debt in the Group's total gross debt as at 30 June 2024 reached 77% (66% as at 30 June 2023).

The Board of Directors of A2A S.p.A. has examined and approved the Half-Year Financial Report as at 30 June 2024

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Milan, 30 July 2024 - The Board of Directors of A2A S.p.A. met today and, under the chairmanship of Roberto Tasca, examined and approved the Half-Year Financial Report as at 30 June 2024.

The excellent results of this first half of 2024 underline the Group's path of significant continuous growth, strongly supported by the increase in investments. Within over 550 million euro invested in this first part of the year, 60% was allocated to industrial development and in particular to the strengthening and efficiency of networks to support decarbonisation, to photovoltaics, ensuring flexibility and balancing of the energy *system and to the recovery of materials and energy. With more than 60% of energy generation from renewable sources, our commitment to the energy transition continues"* - comments **Renato Mazzoncini, CEO of A2A** - *"We have confirmed our commitment to current rating, strengthening the credit metrics by issuing the first perpetual hybrid bond in green format and we are also satisfied with our sustainable finance strategy, with ESG debt reaching 77% of total gross debt. Thanks to these excellent performances, we have been able to revise 2024 guidance upwards, with an expected EBITDA between 2.18 and 2.22 billion euro and a Group net ordinary profit between 700 and 720 million euro".*

In the first half of 2024, A2A achieved excellent results, confirming the continuous improvement in economic and financial performance.
The context in which growth developed in the period under review was characterized by a very significant increase in the production of energy from renewable sources as a result of high hydroelectric conditions, a greater stability of the energy scenario compared to the previous year, in which the tails of the crisis that had hit 2022 were still present, albeit gradually, attenuating, of the crisis, bearish price dynamics with a PUN at 93.4 €/MWh (down 31.5%) and the average cost of gas at the PSV at 31.2 €/MWh (down 34%), the evolution of the energy retail sector following the liberalization of the markets.
A2A has seized the most of the opportunities of the context by optimising the integrated electricity production portfolio and adopting effective hedging strategies and profitable commercial development actions.

The main economic indicators are as follows:

Million euro	1H 2024	1H 2023 Restated	Δ	Δ%
Revenues	**6,091**	**7,992**	-1,901	-23.8%
Gross Operating Margin – EBITDA	**1,279**	**882**	397	45.0%
Net Operating Profit – EBIT	**765**	**449**	316	70.4%
Net Profit	**489**	**280**	209	74.6%
Net Ordinary Profit	**478**	**257**	221	86.0%

In the period under review**, Group revenues** amounted to **6,091 million euro,** down 24% compared to the same period of the previous year (7,992 million euro). The change is attributable to the decline in both wholesale and retail energy prices and, to a very limited extent, to the contraction in quantities sold and intermediated on the wholesale markets, partly offset by higher volumes sold on the retail electricity, gas and district heating markets.

Operating costs amounted to **4,370 million euro,** recording a significant reduction compared to the same period of the previous year **(-35%),** in line with the trend in revenues and the related dynamics related to the commodities market.
Personnel **costs, amounting to 442 million euro,** increased by approximately **41 million euro** (+10%), The change is linked by more than 30% to the higher number of FTEs (Full-Time Equivalents) in the first half of 2024 compared to the previous year (+447 FTEs, +3.3%) as a result of hires made during 2023 and the first six 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 new tenders in the urban collection sector and the acquisition of a new company (Agesp Energia). The remainder of the increase is attributable to the effects of salary increases for contract renewals (CCNL Urban Hygiene, Electricity, Gas Water), merit increases and other indirect personnel costs (mainly costs for mobility and welfare projects).

EBITDA amounted to **1,279 million euro,** up 45%, **+397 million** compared to the first six months of 2023 (882 million euro).
Net of non-recurring items (10 million euro in 2024, 12 million euro in 2023), **Ordinary EBITDA amounted to 1,269 million euro**, up +46%, +399 million euro, compared to the first half of the previous year (870 million euro) thanks to the contribution of all Business Units, in particular, Generation & Trading and Market.

Net Operating Profit stood at **765 million euro**, up 70%, +316 million euro compared to 2023 (449 million euro). This positive change is attributable to the increase in EBITDA, partly offset by the increase in depreciation and amortization of approximately 60 million euro, mainly relating to investments made by the Group in the period April 2023-March 2024, and higher provisions for risks of approximately 20 million euro.

Net Financial Expenses amounted to 61 million euro, down from 69 million euro in the first half of 2023 thanks to financial income from liquidity management and to a proactive pre-hedging strategy against interest rate risk.

Taxes amounted to 207 million euro, with a tax rate of 29% (30% in the same period of the previous year), up 93 million euro compared to the first six months of 2023 due to the increase in the tax base.
In addition, minority interests increased in the period under review (18 million euro compared with 13 million euro in the previous year), as a result of the improved performance of the AEB and Acinque groups.

As a result of the dynamics described above, **Net Ordinary Profit attributable to the Group** amounted to **478 million euro**, up 86% compared to the first half of 2023 (257 million euro at 30 June 2023).

Net Profit attributable to the Group amounted to **489 million** euro, up 209 million compared to the previous year (280 million euro). Extraordinary items concerned:
• the year under review for 11 million euro, relating to compensation for the conclusion of the dispute with the municipality of Cinisello Balsamo, net of the related tax effect;
• the previous year for 23 million euro, mainly relating to the effect of the release of the higher tax values of part of the goodwill of companies operating in the renewable energy sector.

Capex made in the first half of 2024 amounted to **553 million euro (494 million in the first half of 2023)** and 60% of which concerned development interventions mainly aimed at the modernization of the electricity distribution networks necessary to support the progressive electrification of consumption and the growth of renewable sources, the development of photovoltaic plants, to ensure flexibility and coverage of peaks in demand, material recovery and the digitalisation of the Group.

M&A transactions, net of disposals, amounted to **57 million euro**, mainly attributable to the acquisition of Agesp Energia, an electricity, gas and heat sales company active in the Busto Arsizio (Varese) area, by the Acinque group and the acquisition of 70% of the Parco Solare Friulano 2, a company that obtained the permit for the construction and operation of a photovoltaic plant in the authorized power of 112.1 MWp.

The Net Financial Position at 30 June 2024 amounted to 4,019 million euro (4,683 million euro at 31 December 2023). Excluding the impacts of the changes in the scope of consolidation that occurred during the period under review, amounting to 57 million euro, and the issue of the Hybrid Bond for -742 million euro, the NFP amounted to 4,704 million euro, recording a cash absorption of 21 million euro. Thanks to the performance of the first half of the year, both investments of 553 million euro and dividends of 300 million euro were fully financed.

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A2A Group - Results by Business Unit

The following table shows the breakdown of EBITDA by Business Unit.

Million euro	**06.30.2024**	**06.30.2023**	**Δ**	**Δ %**
Generation & *Trading*	556	307	249	81.1%
Market	251	122	129	105.7%
Waste	216	203	13	6.4%
Smart Infrastructures	290	272	18	6.6%
Corporate	-34	-22	-12	*n.s.*
Total	**1,279**	**882**	**397**	45.0%

Generation & Trading Business Unit

Revenues for the first half of 2024 amounted to 3,921 million euro, down by 2,241 million euro (-36.4%) compared to the first six months of the previous year due to both lower volumes sold and brokered and lower unit prices.

The EBITDA of the Generation and Trading Business Unit amounted to 556 million euro, up 249 million euro compared to the first half of 2023 (+81.1%). Net of the non-recurring items recorded in the two comparative periods (4 million euro in the first half of 2024, 5 million in the same period of 2023), the Ordinary EBITDA increased by 250 million euro.
The positive change is mainly attributable to the extraordinary contribution of RES plants to:

- higher volumes produced as a result of the high hydroelectric conditions in the first half of 2024 compared to the drought of the first 4 months of 2023: hydroelectric production recorded in the first half of 2024, in fact, amounted to 2,723 GWh, almost doubled compared to the first six months of 2023 (+91%);
- the contribution of production from wind plants;
- a positive price effect, despite the reduction in the price of energy commodities, due both to the presence in the first half of 2023 of the effects of the Sostegni Ter decree (two-way compensation mechanism on the price of electricity injected for RES plants), and to the effective hedging policies.

The positive impacts were partly offset by a contraction in margins recorded in other areas of activity of the Business Unit, in particular by the lower contribution of CCGT production and ancillary services markets (MSD), both due to lower requests from Terna and a lower pricing of the quantities offered.

In the period under review, capex amounted to approximately 116 million euro (97 million euro in the same period of 2023).
Development interventions were carried out for a total of 89 million euro, of which 42 million euro relating to photovoltaic and wind power plants aimed at accelerating the growth of generation from renewable sources and 45 million euro for interventions on CCGT plants (new CCGT Monfalcone and endothermic engines of the Cassano plant) aimed at ensuring flexibility, coverage of peak demand and balancing of the network's energy needs.

Approximately 27 million euro were related to extraordinary maintenance activities, of which approximately 14 million euro for thermoelectric plants, 9 million euro for the Group's hydroelectric plants, 1 million euro for photovoltaic and wind plants and 3 million euro for interventions on buildings and information systems.

Market Business Unit

Revenues amounted to 3,191 million euro (3,836 million euro at 30 June 2023). The decrease recorded is mainly attributable to the reduction in unit prices for both electricity and gas, partly offset by the growth in quantities sold.

The EBITDA of the Market Business Unit stood at 251 million euro, up 129 million euro compared to the first half of the previous year (122 million euro at 30 June 2023), confirming the positive growth trend that began last year with particular evidence in the fourth quarter.
Net of non-recurring items (-1 million euro in the first half of 2024 and -1 million euro in the same period of 2023), Ordinary EBITDA increased by 129 million euro.

The increase in the margin is attributable to:

- the evolution of the customer base in the mass market segment: with reference to points of delivery, there was an important shift in the customer base from the protected market to the free mass market, both as a result of the commercial actions taken by the Group and following the full liberalisation of non-vulnerable gas domestic customers starting from January 2024;
- growth in volumes sold to the segment of electricity and gas large customers;
- the positive dynamics of unit margins.

The growth reflects the commercial development actions of the period, as well as the reabsorption of the negative impacts on margin dynamics from the exceptional instability in the commodities markets, still present especially in the first three months of 2023 but gradually attenuating during the year.
These positive effects more than offset the lower margin in the safeguard market due to lower volumes sold, the higher charges for retention actions activated by the Group on its customer base as early as 2023 and the increase in operating costs for customer acquisition and management activities.

Capex in the first half of 2024 amounted to 53 million euro (42 million euro in the first half of 2023). These capex concerned:

- the energy retail segment with 51 million euro for capitalised costs for the acquisition of new customers and for evolutionary maintenance and development of the Hardware and Software platforms, aimed at supporting the billing and customer management activities of the Group's sales companies;
- the Energy Solution segment with 2 million euro for energy efficiency projects.

Waste Business Unit

In the first half of 2024, revenues of the Waste Business Unit amounted to 775 million euro, up 7.6% compared to the first six months of 2023 (720 million euro as at 30 June 2023): the change is attributable to the increase in revenues from disposal, material recovery activities (paper and plastic sales), higher fees in the Collection segment and non-recurring items that more than offset the decrease in revenues from the sale of electricity and heat.

The EBITDA of the Waste Business Unit amounted to 216 million euro (203 million euro at 30 June 2023), an increase of 13 million euro compared to the same period of the previous year.
Net of the non-recurring items recorded in the two comparative periods (+14 million euro in 2024 and +2 million euro in 2023), the Ordinary EBITDA stood at 202 million euro (201 million euro at 30 June 2023).

This result was determined by:

- +2 million euro relating to Urban Waste Treatment Plants, mainly due to higher margins linked to the growth in volumes disposed of, the contribution of the quantities of electricity and heat produced by waste-to-energy plants (in particular WTE Parona) and the contribution of new OFMSW plants, partly offset by the negative effects of the energy scenario on WTE and biomass plants (Sant'Agata di Puglia) and the lower margins relating to the recovery of Asti glass plant;

- -1 million euro relating to the Collection segment mainly due to the increase in personnel costs and operating costs, partially offset by higher revenues from sorted waste collection and higher fees from new municipalities.

Capex in the first half of 2024 amounted to 68 million euro (76 million euro in the first six months of 2024) and concerned:
- development interventions for 24 million euro, of which 10 million euro relating to waste-to-energy plants, 2 million euro to OFMSW plants, 5 million euro to material recovery plants and about 6 million euro to other treatment plants.
- maintenance interventions for 44 million euro, relating to waste-to-energy plants (20 million euro), waste treatment plants (8 million euro) and the collection sector (16 million euro).

Business Unit Smart Infrastructures

In the period under review, the revenues of the Smart Infrastructures Business Unit amounted to 727 million euro (793 million euro at 30 June 2023). The change is linked to lower revenues relating to the district heating segment attributable to the decrease in unit prices and the reduction in activities devoted to energy savings (Superbonus), partially offset by higher revenues allowed for regulatory purposes.

The EBITDA of the Smart Infrastructures Business Unit in the first half of 2024 amounted to 290 million euro (272 million euro at 30 June 2023).
Net of non-recurring items (+1 million euro in the first half of 2024, +7 million euro in the same period of the previous year), the Business Unit's Ordinary EBITDA amounted to 289 million euro, up 24 million euro compared to the first six months of 2023.

The change in margins was mainly determined by:
- + 17 million euro relating 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 higher operating costs and lower connection fees;
- +10 million euro relating to the water cycle attributable to the increase in regulated revenues and the decrease in electricity costs;
- - 10 million euro relating to the district heating segment. The change is linked to the decrease in the prices of electricity sold, the presence in 2023 of the tax credits provided by the "Aiuti" decrees for non-energy-intensive and non-gas-intensive companies and the lower margins on activities related to the Superbonus. These negative effects were only partially offset by higher volumes of heat sold (+7%) and revenues from the sale of white certificates recognised for the cogeneration plants of Tecnocity, Canavese and A2A Airport;
- + 4 million euro relating to Public Lighting segment for the contribution of the new municipalities served and for lower operating costs;
- + 2 million euro related to Smart City segment for higher revenues (launch of the Minnovo project and updating of price lists).

Capex in the first half of 2024 amounted to 288 million euro (256 million euro in the same period of 2023) and concerned:
- the electricity distribution segment with 122 million euro (+31% compared to the first half of 2023), for the connection of new users, interventions on primary plants and secondary substations, the expansion of remote control, the renovation of the medium and low voltage network;
- the gas distribution segment with 63 million euro, for the connection of new users, the replacement of medium and low pressure pipes;
- the integrated water cycle sector for 42 million euro, for maintenance and development of the water transport and distribution network, as well as interventions and renovations of sewerage networks and purification plants;
- the district heating and heat management segment with 45 million euro;
- the public lighting segment for new projects with 6 million euro;
- the e-mobility segment with 5 million euro, for the installation of new charging stations;

- the Smart City sector with 5 million euro, mainly for fiber optic laying, radio frequency and data centers.

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Balance sheet

It should be noted that the scope of consolidation as at 30 June 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 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;
- acquisition by A2A Rinnovabili S.p.A. of 70% Parco Solare Friulano 2 S.r.l. company with consequent full consolidation;
- establishment of A2A Trezzo Ambiente S.r.l. company by A2A Ambiente S.p.A. which owns 86% and by A2A Calore & Servizi S.r.l. which owns 4%, with consequent full consolidation of company.

million euro	06.30.2024	12.31.2023	Change
CAPITAL EMPLOYED			
Net fixed asset	**9,913**	**9,567**	**346**
- Tangible assets	6,723	6,643	80
- Intangible assets	3,683	3,630	53
- Shareholdings and other non-current financial assets (*)	83	83	0
- Other non-current assets/liabilities (*)	7	(188)	195
- Deferred tax assets/liabilities	469	464	5
- Provisions for risks, charges and liabilities for landfills	(827)	(828)	1
- Employee benefits	(225)	(237)	12
of which with counter-entry to equity	*(86)*	*(98)*	
Net Working Capital and Other Current Assets/Liabilities	**(168)**	**(82)**	**(86)**
Net Working Capital:	**266**	***(246)***	***512***
- Inventories	567	319	248
- Trade receivables	2,741	3,540	(799)
- Trade payables	(3,042)	(4,105)	1,063
Other current assets/liabilities:	**(434)**	***164***	***(598)***
- Other current assets/liabilities (*):	(369)	193	(562)
- Current tax assets/tax liabilities	(65)	(29)	(36)
of which with counter-entry to equity		*(7)*	
	(15)		
Assets/liabilities held for sale (*)	**0**	**0**	**0**
of which with counter-entry to equity			
TOTAL CAPITAL EMPLOYED	**9,745**	**9,485**	**260**
SOURCES OF FUNDS			
Shareholders' equity	**5,726**	**4,802**	**924**
Total financial position after one year	5,384	5,571	(187)
Total financial debt within one year	(1,365)	(888)	(477)
Total Net Financial Position	**4,019**	**4,683**	**(664)**
of which with counter-entry to equity	*8*	*0*	
TOTAL SOURCES	**9,745**	**9,485**	**260**

(*) Excluding balances included in the Net Financial Position

Net fixed capital

"**Net fixed capital**" amounted to 9,913 million euro, an increase of 346 million euro compared to 31 December 2023.

Changes are detailed below:

- Tangible assets show an increase of 80 million euro corresponding to:
  - capex made for 361 million euro due to interventions on waste treatment and waste-to-energy plants, on thermoelectric and hydroelectric power plants and on renewable sources energy plants for 167 million euro, the expansion and reconstruction of the medium and low voltage network, as well as the installation of new electronic meters for 114 million euro; the development of district heating networks for 42 million euro, the purchase of mobile waste collection vehicles and other equipment for 11 million euro, works on the fibre optic and gas transport network for 5 million euro, investments aimed at the development of the energy efficiency plan for 3 million euro, 6 million euro for the efficiency plan with new LED technology light sources and 4 million euro for investments in the electric vehicle charging network as well as work on buildings for 6 million euro and the implementation of telecommunications equipment for 3 million euro;
  - first consolidation of the companies acquired during the period, which resulted in an increase of 19 million euro;
  - net decrease for other changes of 5 million euro attributable to the increase in rights of use in accordance with IFRS16 for 20 million euro, the decrease in the provision for decommissioning and landfill closure and post-closure expenses of 18 million euro, the net decrease of 2 million euro due to reclassifications to other items in the financial statements, a decrease of 3 million euro due to the recognition of grants on investments from previous years, a decrease of 2 million euro due to the exit from the scope of consolidation of the company Tula Bioenergia;
  - a decrease of 2 million euro following write-downs made during the period on assets no longer considered functional to the A2A Group's business;
  - reduction of 2 million euro following disposals during the period net of the related accumulated depreciation;
  - reduction of 291 million euro attributable to depreciation and amortization for the period;
- Intangible assets show an increase of 53 million euro compared to 31 December 2023 attributable to:
  - capex made for 192 million euro, due to the implementation of information systems for 62 million euro, to the development and maintenance of gas distribution systems and the replacement of underground medium and low pressure pipes for 58 million euro, to works on the water transport and distribution network, sewerage networks and purification plants for 40 million euro, 31 million euro for costs incurred for the management of contracts with customers, as well as design, research and development costs for the Heat Plants for 1 million euro;
  - first consolidation of the companies acquired during the period, which resulted in an increase of 43 million euro;

- net decrease of 32 million euro due to other changes, due to the decrease of 31 million euro in environmental certificates from the industrial portfolio and the decrease of 1 million euro following the reclassification of certain items under tangible fixed assets;
- decrease of 2 million euro following disposals for the period net of the related accumulated depreciation;
- reduction of 148 million euro attributable to depreciation and amortization for the period.

- Shareholdings and other non-current financial assets amounted to 83 million euro and showed no change compared to 31 December 2023. This item includes equity investments, investments in Corporate Venture Capital and other non-current financial assets not included in the Net Financial Position;

- Other non-current assets and liabilities show a net increase of 195 million euro, do mainly to a decrease of 122 million euro in security deposits from customers, an increase of 81 million euro in receivables from the Treasury for tax breaks provided for building bonuses expiring after the following year and a decrease in active security deposits of 9 million euro;

- Deferred tax assets amounted to 469 million euro (464 million euro at 31 December 2023) and showed a net increase of 5 million euro, net of the effects of the first consolidations of the period of 1 million euro, relating to the recognition of net deferred tax assets;

- Provisions for risks, charges and liabilities for landfills as at 30 June 2024 amounted to 827 million euro, a decrease of 1 million euro.

- Employee benefits decreased by 12 million euro, due to disbursements for the first half of the year, payments to welfare funds and actuarial valuations, 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 266 million euro, an increase of 512 million euro compared to 31 December 2023. The main items are commented on below:

Inventories

millions of euro	Balance at 12.31.2023	First-time consolidation effect acquisitions 2024	Changes	Balance at 06.30.2024
- Materials	138	0	1	139
- Material obsolescence provision	(25)	0	(3)	(28)
Total materials	**113**	**0**	**(2)**	**111**
- Fuel	199	0	(35)	164
- Others	5	0	287	292
Raw and ancillary materials and consumables	**317**	**0**	**250**	**567**
Third-party fuel	2	0	(2)	0
Total inventories	**319**	**0**	**248**	**567**

"Inventories" amounted to 567 million euro (319 million euro at 31 December 2023), net of the related provision for obsolescence of 28 million euro, up 248 million euro compared to 31 December 2023. The increase is mainly attributable to an increase in other inventories of 287 million euro, partially offset by lower fuel inventories of 35 million euro, both due to seasonality and the scenario effect (inventories include inventories of fuels for electricity production and inventories of gas for sales and storage), 2 million euro to the decrease in stocks of materials including the provision for material obsolescence and 2 million euro to the decrease in fuels held by third parties.

Trade Receivables

millions of euro	Balance at 12.31.2023	First-time consolidation effect acquisitions 2024	Changes	Balance at 06.30.2024
Trade receivables – invoices issued	1,807	20	(262)	1,565
Trade receivables – invoices to be issued	1,973	0	(541)	1,432
(Bad debts provision)	(240)	(4)	(12)	(256)
Total trade receivables	**3,540**	**16**	**(815)**	**2,741**

As at 30 June 2024, "Trade receivables" amounted to 2,741 million euro (3,540 million euro at 31 December 2023), with a decrease of 815 million euro, net of the effect of the first consolidations of 16 million euro. The change in trade receivables is mainly attributable to the seasonality of the Group's business with lower gas and heat sold.
"Provision for credit risks" amounted to 256 million euro, an increase of 12 million euro compared to 31 December 2023, net of initial consolidations of 4 million euro, due to provisions of 32 million euro, uses for the period of 18 million euro and other decreases of 2 million euro.

Trade receivables ageing is detailed here below:

Millions of euro	12.31.2023	06.30.2024
Trade receivables of which:	**3,540**	**2,741**
Current	1,195	853
Past due of which:	**612**	**712**
Past due up to 30 days	*114*	*143*
Past due from 31 to 180 days	*202*	*200*
Past due from 181 to 365 days	*114*	*134*
Past due over 365 days	*182*	*235*
Invoices to be issued	**1,973**	**432**
Bad debts provision	**(240)**	**256**

euro

Millions of euro	12.31.2023	06.30.2024
Trade receivables of which:	**3,540**	**2,741**
Current	1,195	853
Past due of which:	**612**	**712**
Past due up to 30 days	*114*	*143*
Past due from 31 to 180 days	*202*	*200*
Past due from 181 to 365 days	*114*	*134*
Past due over 365 days	*182*	*235*
Invoices to be issued	**1,973**	**432**
Bad debts provision	**(240)**	**256**

Trade payables

millions of euro	Balance at 12.31.2023	First-time consolidation effect acquisitions 2024	Changes	Balance at 06.30.2024
Advances and payables to customers	6	-	(2)	4
Payables to suppliers	4,099	11	(1,072)	3,038
Total trade payables	**4,105**	**11**	**(1,074)**	**3,042**

"Trade payables" amounted to 3,042 million euro, a decrease of 1,074 million euro compared with the end of the previous year, net of the effect of the first consolidations for the period of 11 million euro. This change is mainly due to the seasonal effect of the Group's businesses as well as lower OTC commodity purchases (bilateral contracts).

"Other current assets/liabilities" show a net decrease of 598 million euro compared to 31 December 2023. This change is attributable to:

- a decrease in security deposits of 375 million euro;
- net increase in the payable to the Treasury for VAT, excise duties and other indirect taxes of 149 million euro;

- net increase in receivables from the Energy and Environmental Services Fund of 16 million euro;
- net decrease in the fair value of commodity derivatives of 53 million euro;
- net increase in current tax payables of 36 million euro;
- net increase in current liabilities of 1 million euro.

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

million euro	**06.30.2024**	**12.31.2023**	**Changes**
Generation and Trading	(511)	(574)	63
Market	595	586	9
Waste	(29)	(30)	1
Smart Infrastructures	(111)	27	(138)
Corporate	(112)	(91)	(21)
TOTAL	**(168)**	**(82)**	**(86)**

Consolidated "**Capital Employed**" as at 30 June 2024 amounted to 9,745 million euro, covered by Equity of 5,726 million euro and Net financial position of 4,019 million euro.

"**Equity**", amounting to 5,726 million euro, showed a positive change of 924 million euro.
The positive change was due to the result for the period of 489 million euro, partly offset by the distribution of dividends of 300 million euro and a decrease in minority interests for a total of 7 million euro.
Finally, there were other increases of 742 million euro as a result of the first non-convertible, subordinated hybrid bond issue with a nominal value of 750 million euro, as well as a net positive change in cash flow hedge derivatives and IAS 19 reserves for a total of 4 million euro.

The "**Consolidated Net Financial Position**" at 30 June 2024 amounted to 4,019 million euro (4,683 million euro at the end of 2023). Gross debt amounted to 5,972 million euro, a decrease of 390 million euro compared to 31 December 2023. Cash and cash equivalents amounted to 1,893 million euro, an increase of 264 million euro. Other net financial assets and liabilities show a surplus of 60 million euro, with a net increase of 10 million euro compared to 31 December 2023.

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Change in Consolidated Net Financial Position

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

million euro	06.30.2024	06.30.2023
EBITDA	**1,279**	**882**
Change Net Working Capital	(512)	(313)
Changes in Other assets/liabilities	317	221
Utilization of provisions, net taxes and net financial expenses	(252)	(148)
Operating cash flow	**832**	**642**
Capital Expenditure	(553)	(494)
Cash flow before dividend payment	**279**	**148**
Dividends	(300)	(283)
Net cash flow	**(21)**	**(135)**
Change in scope	(57)	21
Perpetual Hybrid Bonds	742	-
Change in Net Financial Position	**664**	**(114)**

During the period, net cash absorption amounted to 21 million euro, after capex of 553 million euro and the payment of dividends of 300 million euro, partly offset by cash generated by operating activities and equal to 832 million euro. Changes in the scope of consolidation during the period were negative and amounted to 57 million euro.
It is also worth noting the impact of the first non-convertible, subordinated hybrid bond issue in Green format with a nominal value of 750 million euro, which, net of transaction costs, was recorded for a total value of 742 million euro.

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Outlook

The excellent results of the first half of the year, in particular, the performance of the Generation and Market BU, allow us to positively revise 2024 guidance upwards.
The Group is expected to achieve:

- an EBITDA of between 2.18 and 2.22 billion euro and
- Group Net Ordinary Income between 700 and 720 million euro.

Alternative *Performance Indicators* (AIPs)

In this press release, some alternative *performance* indicators (AIPs) not provided for by the international accounting standards adopted by the European Union (IFRS-EU) are used, 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 for 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, amortisation, provisions and impairment losses";
- **Ordinary EBITDA**: alternative operating *performance* indicator , calculated as EBITDA described above net of items, both positive and negative, deriving from transactions or operations that have characteristics of non-repeatability in future years (e.g. adjustments relating to past years)
- **Net Ordinary Operating Result (EBIT):** alternative operating *performance* indicator , calculated by excluding items from non-recurring transactions from the Net Operating Result;
- **Special Items:** non-recurring events occurring during the year that had an effect on the consolidated income statement;
- **Ordinary Net Profit (Net Ordinary 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 determined as the result of current and non-current financial payables, the non-current portion of trade payables and other non-remunerated payables that have a significant implicit financing component (payables maturing 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:** alternative *performance* indicator used by the A2A Group as a financial objective in both internal Group (*Business Plan*) and external (presentations to financial analysts and investors) presentations and is a useful measurement of the resources used in maintaining and developing 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 external growth transactions.

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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 A2A Group's financial statements extracted from the audited half-year financial report as at 30 June 2024 are attached.

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CONSOLIDATED BALANCE SHEET (millions of euro)	06.30.2024	12.31.2023
ASSETS		
NON-CURRENT ASSETS		
Tangible assets	6,723	6,643
Intangible assets	3,683	3,630
Shareholdings carried according to equity method	25	30
Other non-current financial assets	72	67
Deferred tax assets	469	464
Other non-current assets	210	138
TOTAL NON-CURRENT ASSETS	**11,182**	**10,972**
CURRENT ASSETS		
Inventories	567	319
Trade receivables	2,741	3,540
Other current assets	1,354	2,264
Current financial assets	43	33
Current tax assets	50	41
Cash and cash equivalents	1,893	1,629
TOTAL CURRENT ASSETS	**6,648**	**7,826**
NON-CURRENT ASSETS HELD FOR SALE	**-**	**-**
TOTAL ASSETS	**17,830**	**18,798**
EQUITY AND LIABILITIES		
EQUITY		
Share capital	1,629	1,629
(Treasury shares)	-	-
Reserves	3,053	1,952
Result of the year	-	659
Result of the period	489	-
Equity pertaining to the Group	**5,171**	**4,240**
Minority interests	555	562
Total equity	**5,726**	**4,802**
LIABILITIES		
NON-CURRENT LIABILITIES		
Non-current financial liabilities	5,380	5,576
Employee benefits	225	237
Provisions for risks, charges and liabilities for landfills	827	828
Other non-current liabilities	221	335
Total non-current liabilities	**6,653**	**6,976**
CURRENT LIABILITIES		
Trade payables	3,042	4,105
Other current liabilities	1,730	2,070
Current financial liabilities	564	775
Tax liabilities	115	70
Total current liabilities	**5,451**	**7,020**
Total liabilities	**12,104**	**13,996**
LIABILITIES DIRECTLY ASSOCIATED WITH NON-CURRENT ASSETS HELD FOR SALE	**-**	**-**
TOTAL EQUITY AND LIABILITIES	**17,830**	**18,798**

CONSOLIDATED INCOME STATEMENT (millions of euro)	01.01.2024 06.30.2024	01.01.2023 06.30.2023 Restated(*)
Revenues		
Revenues from the sale of goods and services	5,953	7,907
Other operating income	138	85
Total Revenues	**6,091**	**7,992**
Operating expenses		
Expenses for raw materials and services	4,211	6,546
Other operating expenses	159	163
Total Operating expenses	**4,370**	**6,709**
Labour costs	**442**	**401**
Gross operating income - EBITDA	**1,279**	**882**
Depreciation, amortization, provisions and write-downs	**514**	**433**
Net operating income - EBIT	**765**	**449**
Result from non-recurring transactions	**3**	**-**
Financial balance		
Financial income	65	37
Financial expenses	117	106
Affiliates	2	1
Total financial balance	**(50)**	**(68)**
Result before taxes	**718**	**381**
Income taxes	**211**	**91**
Result after taxes from operating activities	**507**	**290**
Net result from discontinued operations	-	3
Net result	**507**	**293**
Minorities	**(18)**	**(13)**
Group result of the period	**489**	**280**

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME (millions of euro)	06.30.2024	06.30.2023
Net result of the period (A)	**507**	**293**
Actuarial gains/(losses) on Employee's Benefits booked in the Net equity	13	5
Tax effect of other actuarial gains/(losses)	(3)	(1)
Total actuarial gains/(losses) net of the tax effect (B)	**10**	**4**
Effective part of gains/(losses) on cash flow hedge	(8)	(23)
Tax effect of other gains/(losses)	2	6
Total other gains/(losses) net of the tax effect of companies consolidated on a line-by-line basis (C)	**(6)**	**(17)**
Other gains/(losses) of companies valued at equity net of the tax effect (D)	-	-
Total comprehensive result (A)+(B)+(C)+(D)	**511**	**280**
Total comprehensive result attributable to:		
Shareholders of the parent company	**493**	**267**
Minority interests	**(18)**	**(13)**

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 30 June 2023 have been restated to make them consistent with the values as at 30 June 2024 by reclassifying from the item "Net result from discontinued operations " revenues and operating costs related to Water activities subject to sale.

CONSOLIDATED CASH-FLOW STATEMENT (millions of euro)	06.30.2024	06.30.2023
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE PERIOD	**1,629**	**2,584**
Operating activities		
Net Result	507	293
Net income taxes	211	91
Net financial interests	52	69
Capital gains/expenses	2	(1)
Tangible assets depreciation	291	251
Intangible assets amortization	148	130
Fixed assets write-downs/disposals	6	3
Net provisions	73	52
Result from affiliates	(2)	(1)
Net financial interests paid	(49)	(51)
Net taxes paid	(158)	(79)
Dividends paid	(304)	(295)
Change in trade receivables	783	1,947
Change in trade payable	(1,074)	(2,543)
Change in inventories	(248)	246
Other changes	320	280
Cash flow from operating activities	**558**	**392**
Investment activities		
Investments in tangible assets	(361)	(309)
Investments in intangible assets and goodwill	(192)	(185)
Investments in shareholdings and securities (*)	(45)	(25)
Cash and cash equivalents from first consolidations asset	1	8
Disposal of fixed assets and shareholdings	4	43
Cash flow from investment activities	**(593)**	**(468)**
FREE CASH FLOW	**(35)**	**(76)**
Financing activities		
Changes in financial assets		
Issuance of loans	-	-
Proceeds from loans	6	6
Other changes	(16)	(17)
Total changes in financial assets (*)	**(10)**	**(11)**
Changes in financial liabilities		
Borrowings/bonds issued	183	967
Repayment of borrowings/bond	(597)	(1,034)
Other changes	(19)	(14)
Total changes in financial liabilities (*)	**(433)**	**(81)**
Capital instruments – perpetual hybrid bonds		
Issue of perpetual hybrid bonds	742	
Capital instruments – perpetual hybrid bonds	**742**	
Cash flow from financing activities	**299**	**(92)**
CHANGE IN CASH AND CASH EQUIVALENTS	**264**	**(168)**
CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD	**1,893**	**2,416**

(*) 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	Reserve for equity instruments – perpetual hybrid bonds	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 of the first half of 2023									
2022 result allocation					401	(401)			
Distribution of dividends					(283)		(283)	(19)	(302)
IAS 19 reserves (*)					4		4		4
Cash flow hedge reserves (*)			(17)				(17)		(17)
Change in scope									
Other changes					(2)		(2)		(2)
Group and minorities result of the period						280	280	13	293
Net equity at 30 June 2023	**1,629**	**-**	**13**	**-**	**1,959**	**280**	**3,881**	**562**	**4,443**
Changes of the second half of 2023									
IAS 19 reserves (*)					(2)		(2)		(2)
Cash flow hedge reserves (*)			(15)				(15)		(15)
Change in scope					(2)		(2)	(2)	(4)
Other changes					(1)		(1)	(9)	(10)
Group and minorities result of the period						379	379	11	390
Net equity at 31 December 2023	**1,629**	**-**	**(2)**	**-**	**1,954**	**659**	**4,240**	**562**	**4,802**
Changes of the first half of 2024									
2023 result allocation					659	(659)			
Distribution of dividends					(300)		(300)	(20)	(320)
IAS 19 reserves (*)					10		10		10
Cash flow hedge reserves (*)			(6)				(6)		(6)
Change in scope					(3)		(3)	2	(1)
Capital instruments – perpetual hybrid bonds				742			742		742
Other changes					(1)		(1)	(7)	(8)
Group and minorities result of the period						489	489	18	507
Net equity at 30 June 2024	**1,629**	**-**	**(8)**	**742**	**2,319**	**489**	**5,171**	**555**	**5,726**

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