A2A, RESULTS AS AT 30 SEPTEMBER 2024

EXCELLENT ECONOMIC-FINANCIAL PERFORMANCE CONFIRMED

2024 GUIDANCE REVISED UPWARDS FOR EBITDA AND ORDINARY NET PROFIT

CAPEX IN STRATEGIC INFRASTRUCTURES FOR THE ECOLOGICAL TRANSITION CONTINUE

PRODUCTION MIX WITH A PREVALENCE OF ENERGY FROM RENEWABLE SOURCES

CONFIRMED COMMITMENT TO SUSTAINABLE FINANCE

- **EBITDA at 1,804 million euro:** +33% compared to the first nine months of 2023 (1,357 million euro).
- **Net profit at 713 million euro:** +68% compared to the same period of 2023 (425 million euro).
- **Revenues of 9,097 million euro:** -17% compared to the first nine months of 2023 mainly due to the contraction in energy commodity prices.
- **Capex of 898 million euro, +13% compared to the first nine months of the previous year**, devoted to 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.
- **Net Financial Position at 4,011 million euro** (4,683 million euro at 31 December 2023). Excluding changes in the scope of consolidation during the period and the hybrid bond issuance, the NFP amounted to 4,688 million euro thanks to an operating cash flow that financed both capex and dividends.
- **NFP/rolling EBITDA ratio** at 1.7x; excluding the impact of the hybrid 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% (67% at 30 September 2023). A new bank loan in green format - use of proceeds has been signed to support capex in the circular economy.
- **Upward revision of guidance**: The Group will target an **EBITDA of between 2.28 and 2.32 billion euro for 2024 and a Group Net Ordinary Profit of between 0.80 and 0.82 billion euro** based on the excellent results of the first nine months, in particular 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 55% of production and is equal to 4.9 TWh.

- In the capacity market auction called by Terna for the 2025 delivery year, A2A was awarded the entire portfolio of existing capacity offered for a total of approximately 4.6 GW, with a technological mix that includes gas and renewable source plants, to support the energy transition. The economic contribution for 2025 is more than 60 million euro higher than assumed in the 2024-2035 Strategic Plan.

- The first industrial partnership in Italy for the recovery of heat from Data Centers intended for district heating has been set up: in collaboration with DBA Group and Retelit, the project will make it possible to serve 1,250 additional households per year, allowing energy savings of 1,300 tons of oil equivalent (TOE) and avoiding the emission of 3,300 tons of C02.

- Bergamo's district heating network has been expanded without the use of fossil fuels thanks to the agreement for the recovery of heat generated by the Rea Dalmine waste-to-energy plant, which will make it possible to bring clean heat to the city and heat up to 11 thousand additional households with waste heat.

- An agreement has been signed with SEA for the construction of a photovoltaic system inside Milan Linate airport capable of producing over 10 GWh of renewable energy per year: this agreement further strengthens the partnership focused on the decarbonisation of Milan's airports, launched in 2022 following the acquisition of SEA Energia (now A2A Airport) by A2A.

Sustainability

- Carbon dioxide emission factor (Scope 1&2) is down 33% compared to the value of the first nine months of 2023.
- The investments eligible for the purposes of European Taxonomy are equal to 73%.

The Group's commitment to sustainable finance continues: after successfully issuing the first I subordinated perpetual hybrid bond in green format and subscribing to the 600 million euro bridge loan in pool, not yet disbursed, in green format to finance the acquisition of assets relating to the electricity grid, in September 2024 A2A successfully signed a new bank loan in Green format - use of proceeds to support investments in the circular economy.

The Board of Directors of A2A S.p.A. has examined and approved the Quarterly Report as at 30 September 2024

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Milan, 12 November 2024 - The Board of Directors of A2A S.p.A. met under the chairmanship of Roberto Tasca and examined and approved the Quarterly Report as at 30 September 2024.

"The excellent economic and financial performance achieved in the first nine months of 2024 has allowed us to proceed more quickly with the investments envisaged in our Plan. The results of this third quarter further confirm the consistency of our strategy: we have achieved an unprecedented net profit of over 700 million euro, exceeding what was recorded in the whole of 2023," comments **Renato Mazzoncini**, CEO of A2A. *"With these results, we have been able to revise upwards the guidance for 2024, with an expected EBITDA between 2.28 and 2.32 billion euro and a Group net ordinary profit between 0.80 and 0.82 billion euro. These are important objectives that allow us to support competitiveness and accelerate the path taken for the development of strategic infrastructures for the ecological transition of the country"*

The results of the first nine months of 2024 of the A2A Group confirm excellent economic and financial performance with an increase in operating margins, driven by a significant increase in the production of energy from renewable sources as a result of high hydraulicityand the positive contribution of the energy retail sector, together with an improvement in the financial structure, with a decrease in the NFP/EBITDA ratio.

The excellent operating results were achieved thanks to the strategies to optimise the integrated production portfolio, the hedging carried out and the commercial development actions in an energy context of lower volatility compared to the previous year, characterised by falling prices with an average PUN in the 9 months of 102.0 €/MWh (down 21%) and the average cost of gas at the PSV at 33.6 €/MWh (down 21.6%).

The main economic indicators are as follows:

Million euro	**9M2024**	**9M 2023 Restated**	**Δ**	**Δ%**
Revenues	**9,097**	**10,956**	-1,859	-17%
Gross Operating Margin – EBITDA	**1,804**	**1,357**	+447	+33%
Net Operating Profit – EBIT	**1,070**	**685**	+385	+56%
Net profit	**713**	**425**	+288	+68%
Net Ordinary Income	**665**	**402**	+263	+65%

In the period under review**, Group revenues** amounted to **9,097 million euro,** down 17% compared to the same period of the previous year (10,956 million euro). The change is attributable to the decline in both wholesale and retail energy prices and, to a very limited extent, to lower quantities sold and intermediated on the wholesale markets, more than offset by higher volumes sold on the retail electricity, gas and district heating markets.

In line with the trend in revenues and the related dynamics related to the commodities market, **operating costs** amounted to **6,641 million euro,** down 26% compared to the same period of the previous year.
Personnel costs, amounting to 652 million euro, increased by approximately **53 million euro** (+9%). The change is linked for approximately 40% to the higher number of FTEs (Full-Time Equivalent) in the first nine months of 2024 compared to the previous year (+4%) following hires made in the last quarter of 2023 and in the first nine 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 hygiene sector (Liguria and Val d'Aosta area) and the acquisition of a new company (Agesp Energia). The remaining part 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 **1,804 million euro,** up 33%, +447 million compared to the first nine months of 2023 (1,357 million euro).
Net of non-recurring items (+16 million euro in 2024, +7 million euro in 2023), **Ordinary EBITDA amounted to 1,788 million euro** , up 32%, +438 million euro, compared to the same period of the previous year (1,350 million euro) thanks to the contribution of all Business Units, in particular, the Generation & Trading Business Unit and the Market Business Unit.

Net Operating Profit stood at **1,070 million euro**, up 56%, +385 million euro compared to 2023 (685 million euro). This positive change is attributable to the increase in EBITDA partly offset by the net effect of the increase in depreciation and amortization and the decrease in provisions net of releases, relating in particular to tax disputes.

Net Financial Expenses amounted to 95 million euro, down from 103 million euro in the first nine months of 2023, mainly due to lower charges for bonds and expired financing.
Taxes amounted to 286 million euro, with a tax rate of 29% (in line with that of the same period of the previous year), up 117 million euro compared to the first nine months of 2023 due to the increase in the tax base.

In addition, in the period under review, there was an increase in minority interests (23 million euro compared with 14 million euro in the previous year), due to the better performance of the AEB and Acinque groups.

As a result of the dynamics set out above, **Net Ordinary Profit attributable to the Group** amounted to **665 million euro**, up 65% compared to the first nine months of 2023 (402 million euro at 30 September 2023).

Net Profit attributable to the Group amounted to **713 million** euro, up 288 million compared to the previous year (425 million euro). Extraordinary items concerned:
- for the year under review for 48 million euro, of which 11 million euro relating to compensation for the conclusion of the dispute with the municipality of Cinisello Balsamo, net of the tax effect and 37 million euro relating to the effect of the tax exemption of the higher tax values of part of the goodwill and the customer list registered in A2A Ambiente following the mergers of the companies A2A Recycling, Electrometal and Tecnoa.
- the previous year for 23 million euro, mainly relating to the effect of the tax exemption of the higher tax values of part of the goodwill of companies operating in the renewable energy sector.

Capex made in the first nine months of 2024 amounted to **898 million euro, +13% compared to the same period of the previous year (796 million euro)** of which almost 60% related to development interventions mainly aimed at modernising the electricity distribution networks necessary for the support of the progressive electrification of consumption, to the development of photovoltaic systems, ensuring flexibility and coverage of peak demand, to material and energy recovery and to the digitalisation of the Group.

M&A transactions, net of disposals, amounted to **65 million euro**, mainly attributable to the acquisition of Agesp Energia, an electricity, gas and heat sales company active in the Busto Arsizio (Varese) area, the acquisition of 70% of the Friulano 2 Solar Park, a company that obtained the permit for the construction and operation of a photovoltaic plant with an authorized capacity of 112.1 MWp and the acquisition of 100% of Biomax Società Agricola a.r.l., operating in the production of electricity from biogas.

The Net Financial Position at 30 September 2024 amounted to 4,011 million euro (4,683 million euro at 31 December 2023). Excluding the impacts of the changes in the scope of consolidation of 65 million euro during the period under review and the issuance of the Hybrid Bond for -742 million euro, the NFP stood at 4,688 million euro, substantially in line with 31 December 2023. Thanks to cash generation in the first nine months, both capex of 898 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	09.30.2024	09.30.2023	Δ	Δ %
Generation & Trading	796	541	255	47.1%
Market	363	205	158	77.1%
Waste	305	278	27	9.7%
Smart Infrastructures	388	369	19	5.1%
Corporate	-48	-36	-12	*n.s.*
Total	**1,804**	**1,357**	**447**	32.9%

Generation & Trading Business Unit

In the first nine months of 2024, the Generation & Trading Business Unit contributed to covering the A2A Group's sales requirements through 8.9 TWh of electricity produced by the group plants (10.1 TWh as at 30 September 2023), showing a greater contribution in the current year from production from RES plants than from thermoelectric plants.
In particular, the generation of energy from renewable sources amounted to 4.9TWh, +58.4% compared to the same period of the previous year due to higher hydroelectric volumes (+70%) following the heavy rainfall recorded in the first nine months of 2024, (which compares with the poor hydraulicity of the same period of the previous year, - penalized by the persistence until April of the severe drought that had affected 2022) and the contribution of the wind farm of Matarocco in operation since September last year.
Thermoelectric generation for the period stood at 4.1 TWh, down 42% compared to the same period of the previous year (7 TWh as of September 30, 2023). The contraction mainly concerned CCGT plants (-32%) as a result of the 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 the maximization of production of power plants powered by sources other than natural gas has led to the decrease in production of the San Filippo del Mela plant under the essential regime and the zeroing of that of the Monfalcone coal-fired power plant.

Revenues for the period amounted to 5,953 million euro, down by 2,234 million euro (-27%) compared to the first nine months of the previous year, both due to lower volumes sold and brokered and lower unit prices.

The EBITDA of the Generation and Trading Business Unit amounted to 796 million euro, up 255 million euro compared to the first nine months of 2023 (+47%). Net of the non-recurring items recorded in the two comparative periods (+13 million euro in the first nine months of 2024, +7 million in the same period of 2023), the Ordinary EBITDA increased by 249 million euro.
The positive change is mainly attributable to the extraordinary contribution of RES plants thanks to:

- higher volumes produced as a result of the high hydraulicity in 2024 compared to the low rainfall recorded in 2023: the increase in margins linked to higher hydroelectric quantities was particularly significant in the first half of the year, then attenuated in the third quarter given that 2023 was heavily penalized by drought problems in the first part of the year;
- the contribution of production from wind farms;
- a positive price effect due to the presence in the first half of 2023 of the impacts of the Sostegni Ter decree (two-way compensation mechanism on the price of electricity injected for RES plants); the hedging policies of the current year have mitigated the negative effects deriving from the reduction of energy commodities.

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 valuation of the quantities offered.

In the period under review, capex amounted to approximately 198 million euro (164 million euro in the same period of 2023).
Development interventions were carried out for a total of 150 million euro, of which 65 million euro relating to photovoltaic and wind power plants aimed at accelerating the growth of generation from renewable sources and 74 million euro for interventions on combined cycle thermoelectric 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 43 million euro related to extraordinary maintenance activities, of which approximately 28 million euro for thermoelectric plants, 11 million euro for the Group's hydroelectric plants, 1 million euro for photovoltaic and wind power plants and 4 million euro for interventions on buildings and information systems. Finally, interventions were carried out for about 5 million euro for adjustments to standards.

Market Business Unit

In the first nine months of 2024, the Market Business Unit recorded 18.5 TWh of electricity sales, up 8% 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 lower quantities sold to customers subject to the safeguard regime.
Gas sales, amounting to 2.2 billion cubic meters, showed a growth of 5% compared to the same period of 2023 as a result of higher volumes destined for large customers.

Following the full liberalisation of non-vulnerable gas customers starting from January 2024 and the end of the protected market for non-vulnerable electricity residential customers with the consequent auctions for the award of gradual protections starting from July 2024, there was a 5% increase in delivery points thanks to the effective commercial actions taken by the Group with a significant shift in the customer base from the protected market to the free market and a net increase in customers of gradual protections.

Revenues amounted to 4,745 million euro (5,325 million euro at 30 September 2023). The reduction is mainly attributable to the decrease 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 363 million euro, up 158 million euro compared to the first nine months of the previous year (205 million euro at 30 September 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 2024 and -2 million euro in 2023), Ordinary EBITDA increased by 155 million euro.

The increase in the EBITDA is attributable to:
- the evolution of the customer base in the mass market segment;
- growth in volumes sold to the segment of large electricity and gas customers;
- the positive dynamics of unit margin.

These positive results reflect the effects of the commercial development actions of the period, as well as the reabsorption of the negative impacts on margin dynamics linked to the situation of exceptional instability in the commodities markets, still present especially in the first three months of 2023 and gradually attenuating during the year.
These effects more than offset the lower margin in the safeguard market due to the contraction in volumes sold, the higher charges related to 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 nine months of 2024 amounted to 77 million euro (63 million euro in the same period of 2023) and concerned:

- the energy retail segment with 73 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 Solutions sector with 4 million euro for energy efficiency projects.

Waste Business Unit

In the first nine months of 2024, waste disposed of, including intra-group disposal, amounted to 3,551 thousand tonnes (+5% 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 for material recovery such as paper and bulky waste recycling plants.

The amount of electricity produced, equal to 1,570 GWh, was up 3% compared to the corresponding period of the previous year thanks to the contribution of line 3 of the Parona waste-to-energy plant active since September 2023, partially offset by the lower availability of the Brescia waste-to-energy plant due to greater maintenance stops. The volumes of heat sold recorded an increase of over 5% following an increase in requests from the district heating sector.

In the first nine months of 2024, the Waste Business Unit recorded revenues of 1,133 million euro (1,057 million euro at 30 September 2023): the change is attributable to the increase in revenues from disposal, material recovery activities (paper and plastic sales), higher revenues from electricity, higher fees from the Collection segment and non-recurring items.

The EBITDA of the Waste Business Unit amounted to 305 million euro, up 27 million euro compared to 30 September 2023.
Net of the non-recurring items (13 million euro in 2024, 3 million euro in 2023), the Ordinary EBITDA stood at 292 million euro (275 million euro at 30 September 2023).
This result was determined by:

- +18 million euro relating to Waste Treatment Plants, mainly due to higher margins linked to the growth in volumes disposed of and the contribution of the quantities of electricity and heat produced by waste-to-energy plants (in particular WTE Parona), to higher production from the biomass plant in Sant'Agata di Puglia, partly offset by the negative effects deriving from the energy scenario on WTE and biomass plants (Sant'Agata di Puglia);
- -1 million euro relating to the Collection segment: the result is attributable on the one hand to higher fees from newly acquired municipalities and revenues from separate waste collection and, on the other hand, to the increase in personnel costs following the awarding of new tenders and other operating costs.

Capex in the first nine months of 2024 amounted to 114 million euro (119 million euro in the first nine months of 2023) and concerned:

- development interventions for 40 million euro, of which 14 million euro related to waste-to-energy plants, 3 million euro to OFMSW plants, 10 million euro to material recovery, about 8 million euro to other treatment plants and 2 million to the collection sector.
- maintenance interventions for 74 million euro, related to waste-to-energy plants (33 million euro), waste treatment plants (15 million euro) and the collection sector (26 million euro).

Business Unit Smart Infrastructures

In the first nine months of 2024, the RABs (Regulatory Asset Bases) of electricity, gas and water distribution grew by 14%, 8% and 20% respectively, thanks to the increase in capex made.
Heat sales of the Business Unit amounted to 1.9 TWht, recording an increase of 7%, thanks to effective commercial development actions and the contribution of the company Agesp Energia (owner of a district heating network of about 18 km in the Busto Arsizio area, as well as the cogeneration plant serving it) acquired by the Acinque Group in January 2024.
The contribution of Agesp Energia is also evident in relation to the production of electricity, which recorded an increase of 5% compared to the first nine months of the previous year.

In the period under review, the revenues of the Smart Infrastructures Business Unit amounted to 1,014 million euro (1,076 million euro at 30 September 2023, -6%). The change is linked to lower revenues related to the district heating segment attributable to the decrease in unit prices and the contraction in activities functional to obtain energy savings (Superbonus), partially offset by higher revenues allowed for regulatory purposes.

The EBITDA of the Smart Infrastructures Business Unit for the first nine months of 2024 amounted to 388 million euro (369 million euro at 30 September 2023).
Net of non-recurring items (-1 million euro in the first six months of 2024, +6 million euro in the same period of the previous year), the Business Unit's Ordinary EBITDA amounted to 389 million euro, up 26 million euro compared to the first six months of 2023.
The change in EBITDA was determined by:

- +24 million euro related 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;
- +12 million euro related to the water cycle attributable to the increase in regulated revenues and the decrease in electricity costs;
- -15 million euro relating to the heat sector. The change is mainly linked to the disappearance of positive extraordinary effects recorded in 2023 (concessions provided for by the Aid decrees regarding tax credits for non-energy-intensive and non-gas-intensive companies and the contribution of the Superbonus), the decrease in the prices of electricity sold, only partially offset by the higher volumes of district heating sold and revenues from the sale of white certificates recognized for cogeneration plants of Tecnocity, Canavese and A2A Airport;
- +3 million euro related to Public Lighting thanks to the contribution of margins of the new municipalities, revenue adjustments and lower operating costs;
- +2 million euro related to Smart City for higher revenues (launch of the Minnovo project and updating of price lists).

Capex in the first nine months of 2024 amounted to 460 million euro (412 million euro in the same period of 2023) and concerned:

- the electricity distribution sector with 196 million euro for the connection of new users, interventions on primary plants and secondary substations, the expansion of remote control and the development of the interconnection network;
- the gas distribution sector with 96 million euro for the connection of new users, interventions on collectors and substations and the laying of new networks;
- the integrated water cycle sector for 64 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 sector with 75 million euro;
- the public lighting sector for new projects with 8 million euro;
- the e-mobility sector with 7 million euro, for the installation of new charging stations;
- the Smart City sector with 14 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 September 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 line-by-line consolidation;
- acquisition by A2A Rinnovabili S.p.A. of 70% of the company Parco Solare Friulano 2 S.r.l. with consequent line-by-line consolidation;
- acquisition by Agripower S.p.A. of 100% of Biomax Società Agricola ar.l., operating in the production of electricity from biogas, with consequent line-by-line consolidation;
- establishment of the company A2A Storage S.r.l. by A2A Rinnovabili S.p.A., which holds 100% of it, line-by-line consolidated;
- 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 line-by-line consolidation of company;
- establishment of Texelera S.c. ar.l., 51% owned by A2A S.p.A. with consequent line-by-line consolidation of the company;
- disposal of Tula Bioenergia Soc. Agr. a r.l. company previously consolidated on a line-by-line basis;
- cancellation of company Proaris S.r.l. in liquidation company, previously consolidated on a line-by-line basis, following the closure of the liquidation process.

millions of euro	**09.30.2024**	**12.31.2023**	**Change**
CAPITAL EMPLOYED			
Net fixed asset	**10,087**	**9,567**	**520**
- Tangible assets	6,789	6,643	146
- Intangible assets	3,725	3,630	95
- Shareholdings and other non-current financial assets (*)	87	83	4
- Other non-current assets/liabilities (*)	(47)	(188)	141
- Deferred tax assets/liabilities	556	464	92
- Provisions for risks, charges and liabilities for landfills	(799)	(828)	29
- Employee benefits	(224)	(237)	13
of which with counter-entry to equity	*(85)*	*(98)*	
Net Working Capital and Other Current Assets/Liabilities	**(137)**	**(82)**	**(55)**
Net Working Capital:	**246**	***(246)***	***492***
- Inventories	377	319	58
- Trade receivables	2,644	3,540	(896)
- Trade payables	(2,775)	(4,105)	1,330
Other current assets/liabilities:	**(383)**	***164***	***(547)***
- Other current assets/liabilities (*):	(233)	193	(426)
- Current tax assets/tax liabilities	(150)	(29)	(121)
of which with counter-entry to equity	*(15)*	*(7)*	
TOTAL CAPITAL EMPLOYED	**9,950**	**9,485**	**465**
SOURCES OF FUNDS			
Shareholders' equity	**5,939**	**4,802**	**1,137**
Total financial position after one year	5,557	5,571	(14)
Total financial debt within one year	(1,546)	(888)	(658)
Total Net Financial Position	**4,011**	**4,683**	**(672)**
of which with counter-entry to equity	*2*	*0*	
TOTAL SOURCES	**9,950**	**9,485**	**465**

(*) Excluding balances included in the Net Financial Position.

Net fixed asset

"**Net fixed asset**" amounted to 10,087 million euro, an increase of 520 million euro compared to 31 December 2023.

Changes are detailed below:

- Tangible assets increased by 146 million euro, corresponding to:
    - capex made amounting to 598 million euro due to interventions on thermoelectric and hydroelectric power plants and energy plants from renewable sources for 189 million euro, to interventions for 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 185 million euro; interventions on waste treatment and waste-to-energy plants for 84 million euro, the development of district heating networks and plants for 58 million euro, the acquisition of mobile waste collection vehicles and other equipment for 27 million euro, investments aimed at the development of the energy efficiency plan for buildings, In addition to new light sources with LED technology, for 16 million euro, interventions on the fiber optic and gas transport network for 14 million euro and 12 million euro for interventions on buildings, and investments on the electric vehicle charging network for 8 million euro, as well as the implementation of telecommunications equipment for 4 million euro and the acquisition of new equipment for the integrated water cycle for 1 million euro;

- reduction of 432 million euro attributable to depreciation for the period;
- net decrease for other changes of 37 million euro attributable to the decrease in grants on investments from previous years of 21 million euro, the decrease following the change in decommissioning and landfill provisions for 16 million euro, the decrease of 2 million euro due to the exit from the scope of consolidation of Tula Bioenergia company, as well as other decreases for a total of 3 million euro. These decreases were partly offset by the increase in rights of use in accordance with IFRS16 for 5 million euro;
- first consolidation of the companies acquired during the period, which resulted in an increase of 21 million euro;
- a decrease of 2 million euro following write-downs made during the period on assets no longer considered functional to the Group's business;
- reduction of 2 million euro following disposals during the period net of the related accumulated depreciation;

- Intangible assets show an increase of 95 million euro compared to 31 December 2023 attributable to:

  - a decrease of 26 million euro due to a decrease of 23 million euro in environmental certificates, a decrease of 2 million euro in grants on investments from previous years, and a decrease of 1 million euro following reclassification to other items in the financial statements;
  - capex made amounting to 300 million euro, due to the implementation of information systems for 105 million euro, to the development and maintenance of gas distribution systems and the replacement of underground medium and low pressure pipes for 88 million euro, to works on the water transport and distribution network, sewerage networks and purification plants for 59 million euro; costs incurred for new acquisitions and for the maintenance of the customer portfolio for 44 million euro, design costs mainly due to the development of new renewable energy and telecommunications plants and technical and operational activities for gas tenders for 4 million euro;
  - reduction of 225 million euro attributable to amortization for the period;
  - first consolidation of the companies acquired during the period which resulted in an increase of 49 million euro;
  - decrease of 3 million euro following disposals during the period net of the related accumulated amortization.

- Shareholdings and Other non-current financial assets amounted to 87 million euro, up 4 million euro compared to 31 December 2023;

- Other non-current assets and liabilities, net of the effects of the first consolidations of liabilities of 1 million euro, show a decrease in the liabilities balance of 142 million euro, attributable to a decrease in security deposits with customers of 121 million euro, the increase in receivables for Ecobonus of 51 million euro, a reduction in security deposits from suppliers of 27 million euro and other decreases of 4 million euro;

- Deferred tax assets amounted to 556 million euro (464 million euro at 31 December 2023) and showed a net increase of 92 million euro, of which 1 million euro due to the effects of the first consolidations for the period. This increase is mainly attributable to the detaxation carried out by the subsidiary A2A Ambiente to recognise and realign for tax purposes the higher values that emerged in the Purchase Price Allocation (PPA) process, deriving from the allocation of the cancellation deficit and recognised in the financial statements as goodwill and customer lists (under intangible assets). The detaxation entailed the recognition of substitute tax for 49 million euro, the allocation of deferred tax assets relating to non-accounting deductions of the higher franked values relating to goodwill for 58 million euro and the release of deferred tax liabilities for 28 million euro, on the higher values of the customer lists that became deductible within the limit of the statutory depreciation booked to the income statement;

- Provisions for risks, charges and liabilities for landfills as at 30 September 2024 amounted to 799 million euro, a decrease of 29 million euro. Changes in the period were due to an increase of 1 million euro due to the effects of the first consolidations for the period, net provisions for the period of 14 million euro, mainly attributable to higher hydroelectric derivation fees, partly offset by surpluses due to tax disputes and other increases of 6 million euro.
  These upward changes were more than offset by uses for the period of 50 million euro relating to hydroelectric surcharges of 26 million euro, the incurrence of decommissioning and landfill costs of 17 million euro and other uses of 7 million euro;

- Employee benefits decreased by 13 million euro, referring 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, final inventories and trade payables, amounted to 246 million euro, an increase of 492 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 09.30.2024**
- Materials	138	1	13	152
- Material obsolescence provision	(25)	0	(4)	(29)
Total materials	**113**	**1**	**9**	**123**
- Fuel	199	0	12	211
- Others	5	0	38	43
Raw and ancillary materials and consumables	**317**	**1**	**59**	**377**
Third-party fuel	2	0	(2)	0
Total inventories	**319**	**1**	**57**	**377**

"Inventories" amounted to 377 million euro (319 million euro at 31 December 2023), up 57 million euro compared to 31 December 2023 net of the effect of the first consolidations of 1 million euro.
The increase is attributable to an increase of 38 million euro in other inventories, higher fuel inventories (represented by both fuels for electricity production and gas inventories for sales and storage) of 12 million euro due to seasonality, an increase in material inventories of 9 million euro including the allocation to 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 09.30.2024**
Trade receivables – invoices issued	1,807	20	(291)	1,536
Trade receivables – invoices to be issued	1,973	0	(590)	1,383
(Bad debts provision)	(240)	(4)	(31)	(275)
Total trade receivables	**3,540**	**16**	**(912)**	**2,644**

At 30 September 2024, "Trade receivables" amounted to 2,644 million euro (3,540 million euro at 31 December 2023), with a decrease of 912 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 sales. "Bad debt provision" amounted to 275 million euro and, net of the effect of the first consolidations of 4 million euro, increased by 31 million euro due to net provisions of 61 million euro, utilizations for the period of 28 million euro and other increases of 2 million euro.

The aging of trade receivables is as follows:

millions of euro	09.30.2024	12.31.2023
Trade receivables of which:	**2,644**	**3,540**
Current	**809**	**1,195**
Past due of which:	**727**	**612**
Past due up to 30 days	*157*	*114*
Past due from 31 to 180 days	*153*	*202*
Past due from 181 to 365 days	*132*	*114*
Past due over 365 days	*285*	*182*
Invoices to be issued	**1,383**	**1,973**
Bad debts provision	**(275)**	**(240)**

The increase in receivables overdue over the year is related to receivables from customers with particular reference to customers served under the safeguard regime (which also include receivables under safeguard with non-suspendable supply, amounting to 52 million euro, which are part of the reinstatement mechanism by CSEA), as well as to the increase in receivables subject to litigation.

Trade payables

millions of euro	Balance at 12.31.2023	First-time consolidation effect acquisitions 2024	Changes	Balance at 09.30.2024
Advances and payables to customers	6	0	(2)	4
Payables to suppliers	4,099	12	(1,340)	2,771
Total trade payables	**4,105**	**12**	**(1,342)**	**2,775**

"Trade payables" amounted to 2,775 million euro, down 1,342 million euro compared with the end of the previous year, net of the effect of the first consolidations for the period of 12 million euro. This change is mainly due to a seasonal effect.

"Other current assets/liabilities" show a net decrease of 547 million euro compared to 31 December 2023. This change is attributable to:

- decrease in security deposits of 376 million euro;
- net increase in the payable to the Treasury for VAT, excise duties and other indirect taxes of 116 million euro;
- net increase in receivables from Cassa per i Servizi Energetici e Ambientali of 40 million euro;
- net decrease in liabilities relating to the fair value of commodity derivatives of 34 million euro;
- net increase in current tax payables of 121 million euro;
- net increase in current liabilities of 8 million euro.

The breakdown of net working capital, including changes in other current assets/liabilities by Business Unit, is as follows:

millions of euro	**09 30 2024**	**12 31 2023**	**Changes**
Generation and Trading	(290)	(574)	284
Market	321	586	(265)
Waste	31	(30)	61
Smart Infrastructures	(68)	27	(95)
Corporate	(131)	(91)	(40)
TOTAL	**(137)**	**(82)**	**(55)**

Consolidated "**Capital Employed**" as at 30 September 2024 amounted to 9,950 million euro and is covered by Shareholders' equity for 5,939 million euro and Net financial position for 4,011 million euro.

"**Shareholders'** equity", amounting to 5,939 million euro, shows positive movements for a total of 1,137 million euro.
The Group's shareholders' equity amounted to 5,384 million euro, an increase of 1,144 million euro. The positive change was due to the result for the period of 713 million euro, partly offset by the distribution of dividends of 300 million euro, as well as an increase of 733 million euro as a result of the first non-convertible, subordinated hybrid bond issue with a nominal value of 750 million euro, net of transaction costs of 8 million euro and the payment of the first tranche of coupons of 9 million of euro.
Finally, there were net positive changes in cash flow hedge derivatives and IAS 19 reserves for a total of 3 million euro, a decrease in the scope of consolidation of 7 million euro and other decreases of 2 million euro.
Minority interests amounted to 555 million euro, down by 7 million euro.

The "**Consolidated Net Financial Position** "at 30 September 2024 amounted to 4,011 million euro (4,683 million euro at the end of 2023). Gross debt amounted to 6,114 million euro, down 248 million euro compared to 31 December 2023. Cash and cash equivalents amounted to 2,052 million euro, an increase of 423 million euro. Other financial assets had a balance of 51 million euro, an increase of 1 million euro compared to 31 December 2023.

The fixed-rate portion of gross debt is equal to 84%. The duration is 5.5 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	09.30.2024	09.30.2023
EBITDA	**1,804**	**1,357**
Change Net working capital	(492)	(385)
Change in Other assets/liabilities	229	248
Utilization of provisions, net taxes and net financial expenses	(339)	(364)
Operating Cash Flow	**1,202**	**856**
Capex	(898)	(796)
Cash flow before dividend payment and bond coupons	**304**	**60**
Dividends	(300)	(283)
Coupon paid on hybrid bond	(9)	0
Net cash flow	**(5)**	**(223)**
Changes in scope	(65)	12
Perpetual Hybrid Bond	742	
Change in Net financial position	**672**	**(211)**

During the period, net cash flow absorption amounted to 5 million euro, after capex of 898 million euro, the payment of dividends of 300 million euro and the payment of 9 million euro of coupons relating to the first non-convertible, subordinated hybrid bond issue in Green format with a nominal value of 750 million euro which, net of transaction costs, it was recorded for a total value of 742 million euro. These cash flows were partly offset by cash generated from operations and amounted to 1,202 million euro.
The changes in the scope of consolidation during the period were negative and amounted to 65 million euro.

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

- the change in Trade receivables, Trade payables and inventories, led to cash absorption of 492 million euro as a result of the reduction in trade payables of 1,330 million euro, the increase in inventories of 58 million euro and the reduction in trade receivables of 896 million euro attributable to the seasonality of the business;
- the change in Other assets/liabilities, on the other hand, generated cash of 229 million euro, mainly due to the decrease in security deposits, the net increase in payables for VAT, excise duties and other indirect taxes, partly offset by the net increase in receivables from Cassa per i Servizi Energetici e Ambientali;
- The payment of net financial charges, taxes and provisions absorbed cash of 339 million euro, while the disbursement of the new perpetual hybrid bond generated cash of 733 million euro (collection of 742 million euro net of the payment of coupons of 9 million euro).

"Capex", amounting to 898 million euro, concerned the following *Business Units:*

Million euro	**09.30.2024**	**09.30.2023**	**Δ**	**Δ %**
Generation	198	164	34	20.7%
Market	77	63	14	22.2%
Waste	114	119	-5	-4.2%
Smart Infrastructures	460	412	48	11.7%
Corporate and more	49	38	11	28.9%
Total	**898**	**796**	**102**	12.8%

Outlook

The excellent results of the first nine months, in particular, the performance of the Generation and Market BU, allow expectations for 2024 to be revised upwards.
The Group is expected to achieve:

- an EBITDA of between 2.28 and 2.32 billion euro and
- Group Net Ordinary Income between 0.80 and 0.82 billion 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, amortization, 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)
- **Ordinary Net Operating Result (Ordinary 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;
- **"Oridnary" Net Result (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 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) 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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Pursuant to the provisions of the Issuers' Regulation, 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 30 September 2024 are attached.

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CONSOLIDATED BALANCE SHEET (millions of euro)	09.30.2024	12.31.2023
ASSETS		
NON-CURRENT ASSETS		
Tangible assets	6,789	6,643
Intangible assets	3,725	3,630
Shareholdings carried according to equity method	24	30
Other non-current financial assets	77	67
Deferred tax assets	556	464
Other non-current assets	157	138
TOTAL NON-CURRENT ASSETS	**11,328**	**10,972**
CURRENT ASSETS		
Inventories	377	319
Trade receivables	2,644	3,540
Other current assets	1,139	2,264
Current financial assets	34	33
Current tax assets	51	41
Cash and cash equivalents	2,052	1,629
TOTAL CURRENT ASSETS	**6,297**	**7,826**
NON-CURRENT ASSETS HELD FOR SALE	**-**	**-**
TOTAL ASSETS	**17,625**	**18,798**
EQUITY AND LIABILITIES		
EQUITY		
Share capital	1,629	1,629
(Treasury shares)	-	-
Reserves	3,042	1,952
Result of the year	-	659
Result of the period	713	-
Equity pertaining to the Group	**5,384**	**4,240**
Minority interests	555	562
Total equity	**5,939**	**4,802**
LIABILITIES		
NON-CURRENT LIABILITIES		
Non-current financial liabilities	5,558	5,576
Employee benefits	224	237
Provisions for risks, charges and liabilities for landfills	799	828
Other non-current liabilities	217	335
Total non-current liabilities	**6,798**	**6,976**
CURRENT LIABILITIES		
Trade payables	2,775	4,105
Other current liabilities	1,379	2,070
Current financial liabilities	533	775
Tax liabilities	201	70
Total current liabilities	**4,888**	**7,020**
Total liabilities	**11,686**	**13,996**
LIABILITIES DIRECTLY ASSOCIATED WITH NON-CURRENT ASSETS HELD FOR SALE	**-**	**-**
TOTAL EQUITY AND LIABILITIES	**17,625**	**18,798**

CONSOLIDATED INCOME STATEMENT (millions of euro)	01.01.2024 09.30.2024	01.01.2023 09.30.2023 Restated(*)
Revenues		
Revenues from the sale of goods and services	8,906	10,833
Other operating income	191	123
Total Revenues	**9,097**	**10,956**
Operating expenses		
Expenses for raw materials and services	6,361	8,738
Other operating expenses	280	262
Total Operating expenses	**6,641**	**9,000**
Labour costs	**652**	**599**
Gross operating income - EBITDA	**1,804**	**1,357**
Depreciation, amortization, provisions and write-downs	**734**	**672**
Net operating income - EBIT	**1,070**	**685**
Result from non-recurring transactions	**3**	**-**
Financial balance		
Financial income	86	56
Financial expenses	172	159
Affiliates	2	1
Result from disposal of other shareholdings	-	(1)
Total financial balance	**(84)**	**(103)**
Result before taxes	**989**	**582**
Income taxes	**253**	**146**
Result after taxes from operating activities	**736**	**436**
Net result from discontinued operations	-	3
Net result	**736**	**439**
Minorities	**(23)**	**(14)**
Group result of the period	**713**	**425**

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME (millions of euro)	09.30.2024	09.30.2023
Net result of the period (A)	**736**	**439**
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	(10)	(21)
Tax effect of other gains/(losses)	3	6
Total other gains/(losses) net of the tax effect of companies consolidated on a line-by-line basis (C)	**(7)**	**(15)**
Other gains/(losses) of companies valued at equity net of the tax effect (D)	-	-
Total comprehensive result (A)+(B)+(C)+(D)	**739**	**428**
Total comprehensive result attributable to:		
Shareholders of the parent company	**716**	**414**
Minority interests	**(23)**	**(14)**

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 September 2023 have been restated to make them consistent with the values as at 30 September 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)	**09.30.2024**	**09.30.2023**
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE PERIOD	**1,629**	**2,584**
<u>Operating activities</u>		
Net Result	736	439
Net income taxes	253	146
Net financial interests	86	103
Capital gains/expenses	(1)	(1)
Tangible assets depreciation	432	382
Intangible assets amortization	225	197
Fixed assets write-downs/disposals	6	9
Net provisions	75	93
Result from affiliates	(2)	(1)
Net financial interests paid	(92)	(93)
Net taxes paid	(197)	(244)
Dividends paid	(320)	(301)
Change in trade receivables	851	1,886
Change in trade payable	(1,342)	(2,458)
Change in inventories	(57)	121
Other changes	270	329
Cash flow from operating activities	**923**	**607**
<u>Investment activities</u>		
Investments in tangible assets	(598)	(519)
Investments in intangible assets and goodwill	(300)	(277)
Investments in shareholdings and securities (*)	(73)	(32)
Cash and cash equivalents from first consolidations asset	1	8
Disposal of fixed assets and shareholdings	4	43
Cash flow from investment activities	**(966)**	**(777)**
FREE CASH FLOW	**(43)**	**(170)**
<u>Financing activities</u>		
Changes in financial assets		
Issuance of loans	-	-
Proceeds from loans	5	6
Other changes	(5)	(30)
Total changes in financial assets (*)	**-**	**(24)**
Changes in financial liabilities		
Borrowings/bonds issued	561	905
Repayment of borrowings/bond	(806)	(1,124)
Other changes	(22)	(16)
Total changes in financial liabilities (*)	**(267)**	**(235)**
Capital instruments – perpetual hybrid bond		
Issue of perpetual hybrid bond	742	
Coupon paid on perpetual hybrid bond	(9)	
Capital instruments – perpetual hybrid bond	**733**	
Cash flow from financing activities	**466**	**(259)**
CHANGE IN CASH AND CASH EQUIVALENTS	**423**	**(429)**
CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD	**2,052**	**2,155**

(*) 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 bond	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**
Change of the first 9 months of 2023									
2022 result allocation					401	(401)			
Distribution of dividends					(283)		(283)	(19)	(302)
IAS 19 reserves (*)					4		4		4
Cash flow hedge reserves (*)			(15)				(15)		(15)
Change in scope									
Other changes					(1)		(1)		(1)
Group and minorities result of the period						425	425	14	439
Net equity at 30 September 2023	**1,629**	**-**	**15**	**-**	**1,960**	**425**	**4,029**	**563**	**4,592**
Change of the fourth quarter of 2023									
IAS 19 reserves (*)					(2)		(2)		(2)
Cash flow hedge reserves (*)			(17)				(17)		(17)
Change in scope					(2)		(2)	(2)	(4)
Other changes					(2)		(2)	(9)	(11)
Group and minorities result of the period						234	234	10	244
Net equity at 31 December 2023	**1,629**	**-**	**(2)**	**-**	**1,954**	**659**	**4,240**	**562**	**4,802**
Change at 30 September 2024									
2023 result allocation					659	(659)			
Distribution of dividends					(300)		(300)	(20)	(320)
IAS 19 reserves (*)					10		10		10
Cash flow hedge reserves (*)			(7)				(7)		(7)
Change in scope					(7)		(7)	(3)	(10)
Capital instruments – perpetual hybrid bond				742			742		742
Capital instruments – coupon paid on perpetual hybrid bond					(9)		(9)		(9)
Other changes					2		2	(7)	(5)
Group and minorities result of the period						713	713	23	736
Net equity at 30 September 2024	**1,629**	**-**	**(9)**	**742**	**2,309**	**713**	**5,384**	**555**	**5,939**

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