



LIFEYARDS

Building a competitive transition.

Strategic Plan Update 2024-2035

12th November 2024

Agenda

1

Competitive
transition

2

Strategy

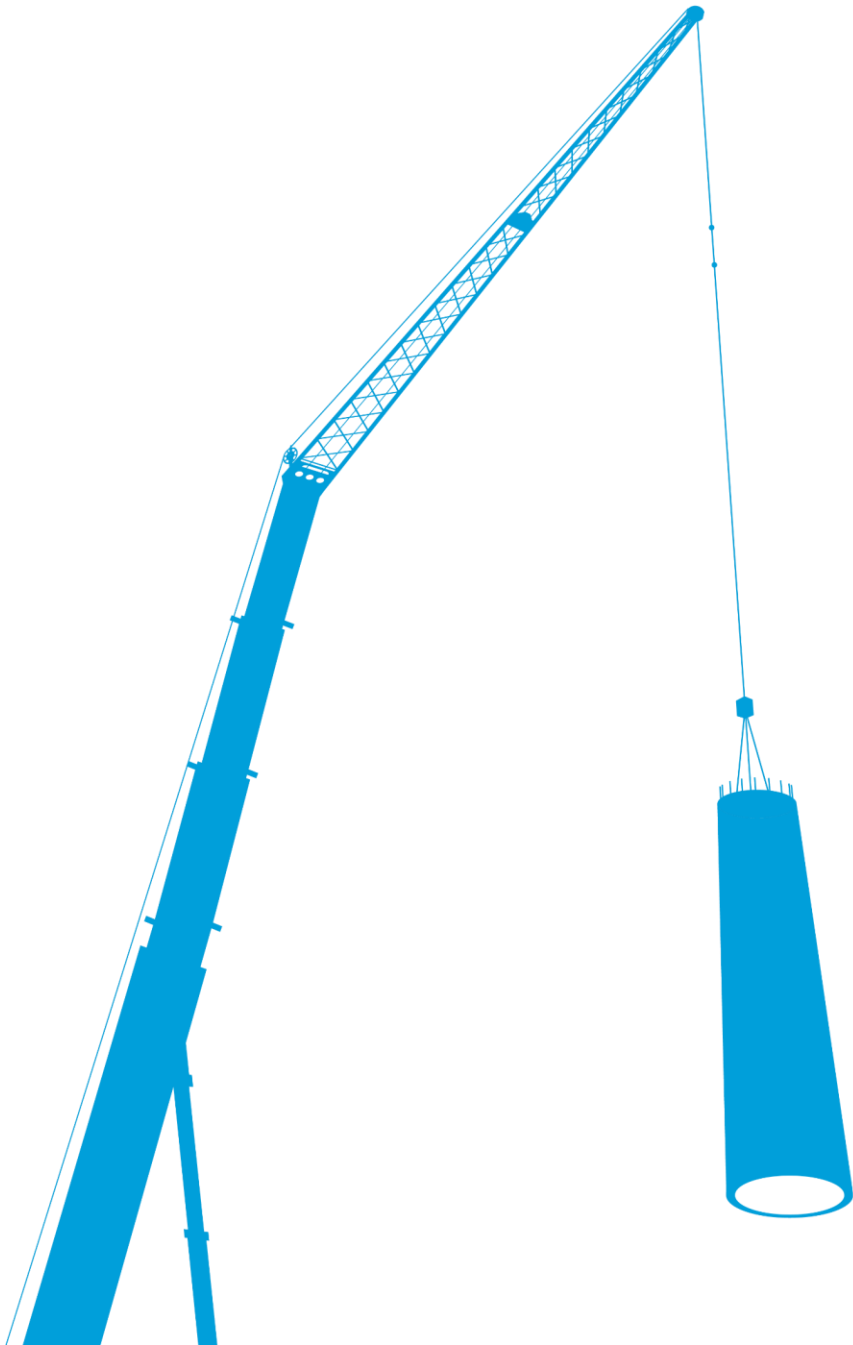
3

Financials

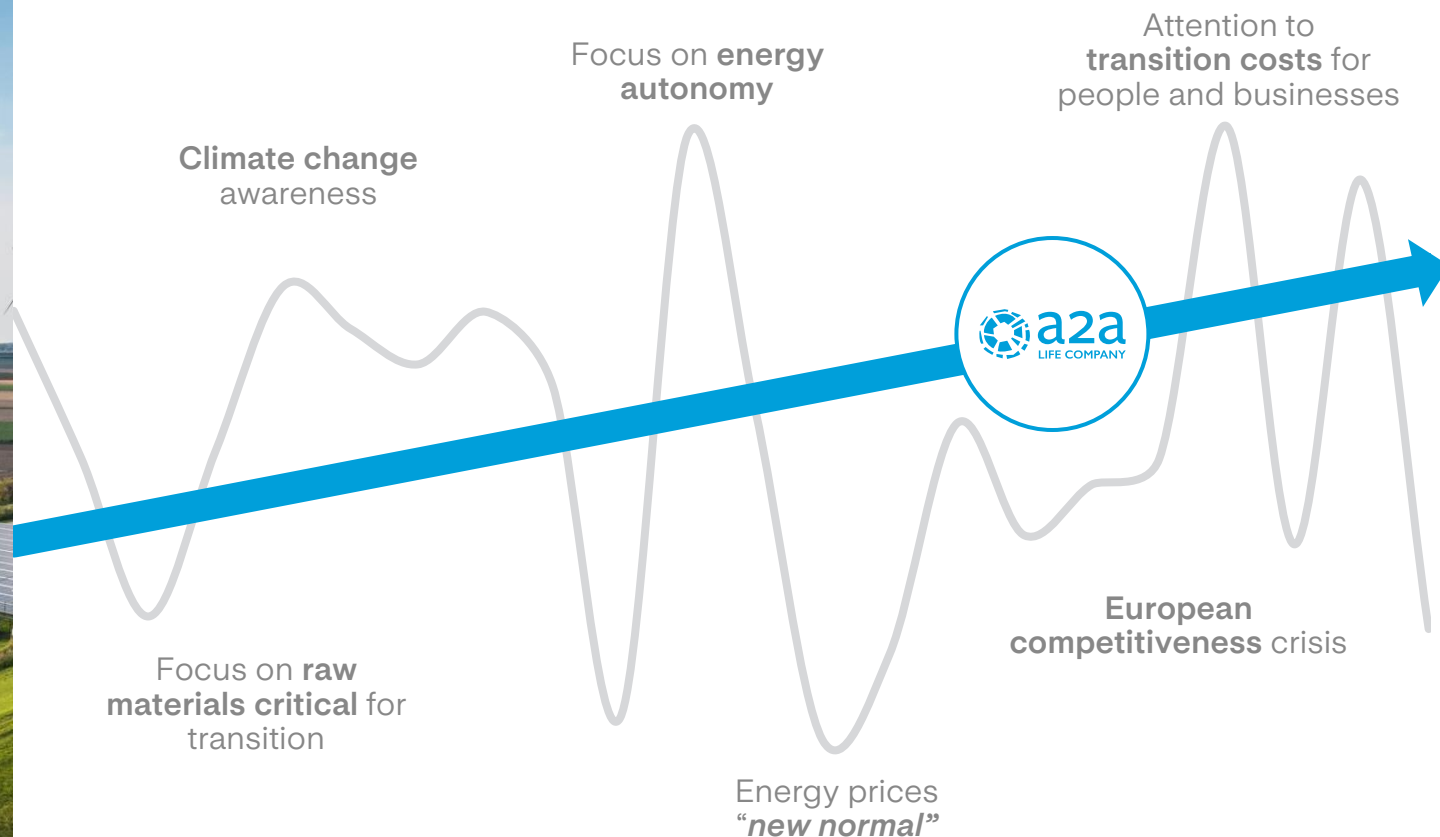
4

Closing

Competitive transition



As a Life Company we remain committed to ecological transition



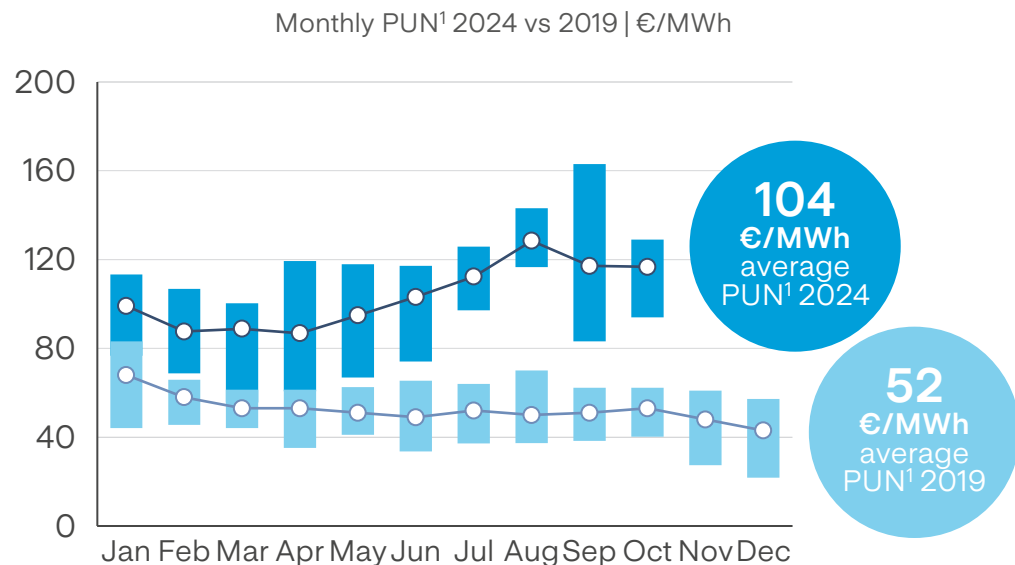
Despite the **uncertain** scenario in which favourable or unfavourable exogenous factors can affect the **ecological transition speed**, our commitment remains unchanged

We are a Life Company and we put life at the heart of everything we do, for us and for **future generations**

We confirm our growth strategy based on a **competitive ecological transition**, which combines **decarbonisation** of operations and Italy's **competitiveness**

The energy & utilities sector is facing opportunities and challenges

Energy prices “new normal”



2x

Average PUN¹ price
in 2024 vs 2019

Regulation fosters investments in the sector...

Distribution networks' RAB regulatory framework

fosters investments to improve network efficiency

Capacity Market and MACSE

support energy system security and flexibility

...in a challenging policy framework for operators

Restrictions on renewable plants

require greater projects selection and development capabilities

Stop-and-go incentives schemes

for renewables, electric mobility, bioenergy and buildings
requalification

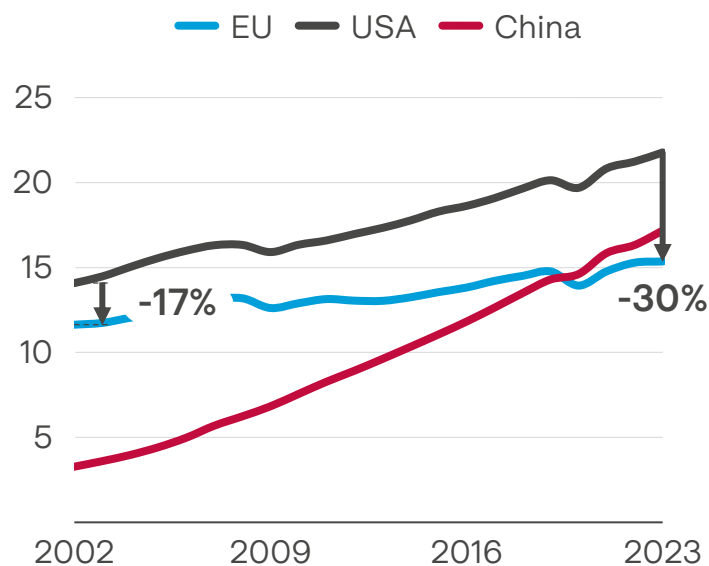
PA investment difficulty on Water Cycle

for infrastructures renewal and water leakages reduction

A2A Plan is in line with Draghi's competitiveness Report

EU competitiveness crisis

GDP evolution at constant prices, 2015 reference level | \$ trillion



Draghi's report key pillars

Innovation

Decarbonisation

Autonomy

A2A Plan's initiatives

Investments in «**360 LIFE I**» CVC¹ fund with **3x expected average multiple**

Launched «**360 LIFE II**» CVC¹ fund with A2A as **anchor investor** and **target size of 200 €M**

RES through PPAs to decouple electricity prices from gas

Increasing **investments** in the **electric infrastructure** to support electrification

Increasing material recovery to access secondary raw material

Project of a new **battery recycling** plant to reuse critical materials

~**2x**

EU-USA gap in GDP between 2002-2023

800
€B/y

Additional investments to increase European competitiveness

>**90%**

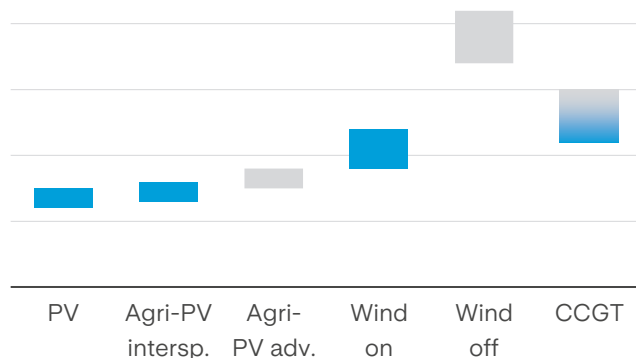
Plan 2024-35 investments in line with Draghi's fundamentals

We invest in sustainable technologies for households and companies

■ A2A's development focus

Energy production

LCOE by technology | €/MWh

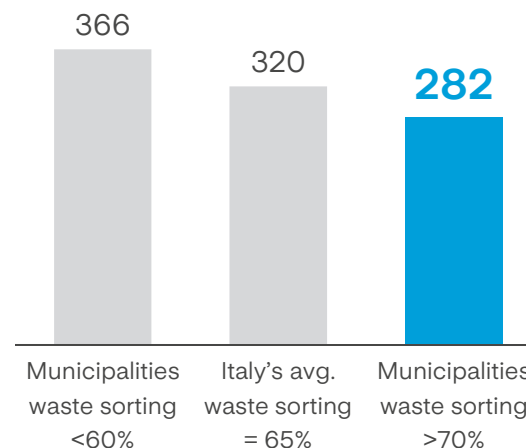


Renewables are advantageous for Italy both in economics and in environmental terms

Source: analysis on LCOE from BNEF, GSE, IEA

Waste management

Average domestic waste tax by clusters of waste sorting | €/year

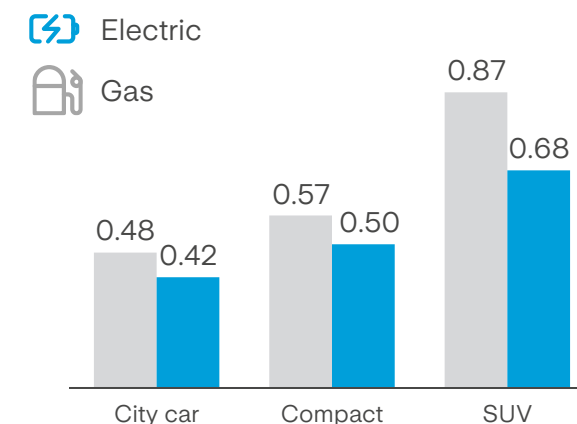


A virtuous waste management with high levels of urban waste sorting results in a lower waste tax for citizens

Source: data refers to Italian capital cities analysed by ISPRA Catasto Nazionale Rifiuti and Cittadinanzattiva – Osservatorio Prezzi&Tariffe (2023)

Electric mobility

Mileage reimbursement by gas vs electric vehicle | €/km

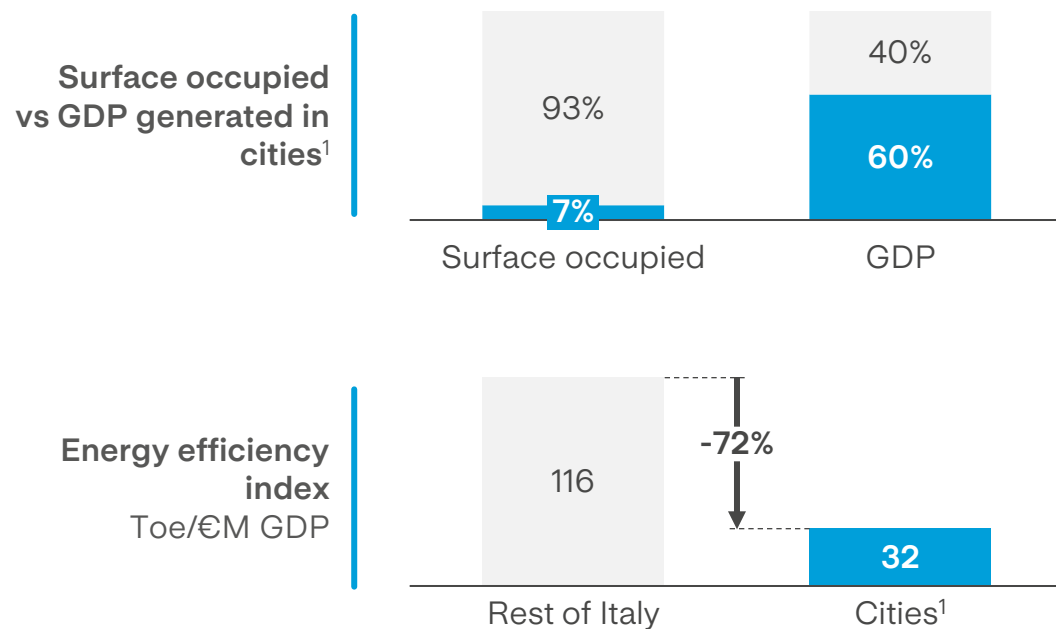


Electric mobility represents a sustainable and convenient choice for the transport sector

Source: ACI 2024 tables. Data on vehicles samples by category

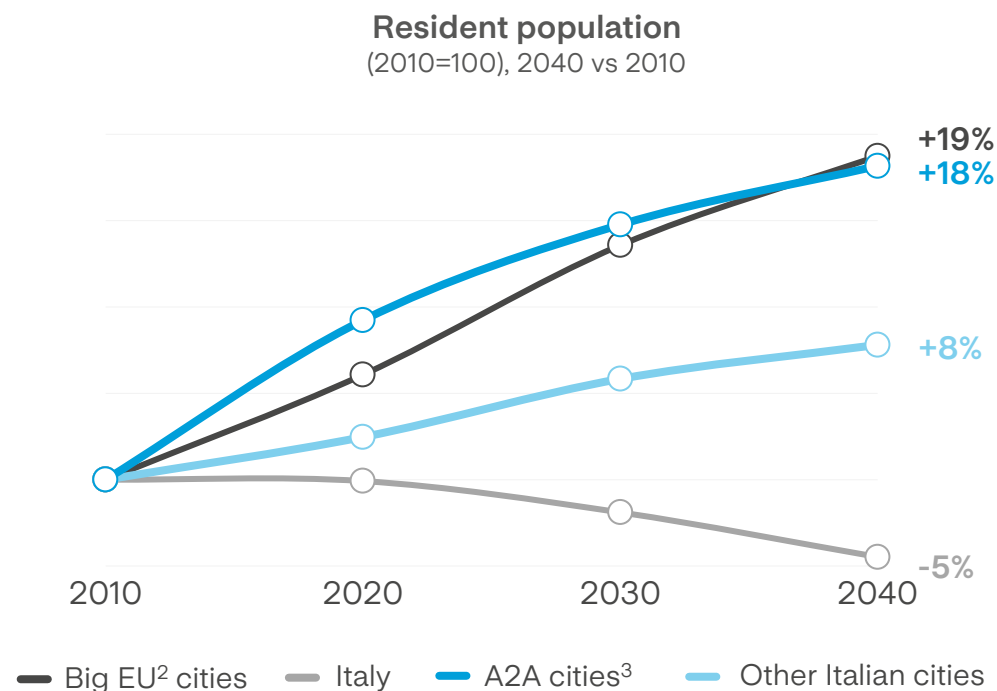
We start with cities that are more efficient for competitive investments

Cities are intrinsically efficient



Source: The European House Ambrosetti-A2A

Our cities drive urbanisation



Source: national data analysed by The European House Ambrosetti-A2A; European data by Eurostat

We will invest **over 50% of our CAPEX in urban areas⁴**, which are more competitive and efficient in the implementation of **decarbonisation levers**

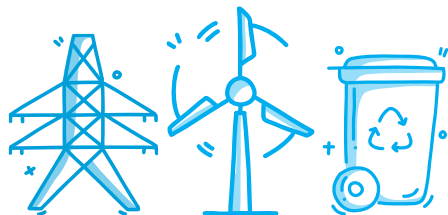
We remain on track to deliver our long-term ambitious goals



22 €B
CAPEX
2024-35

3.3 €B
EBITDA
@2035

>1 €B
Net income
@2035



3.4 €B
**Electricity
network RAB**
@2035

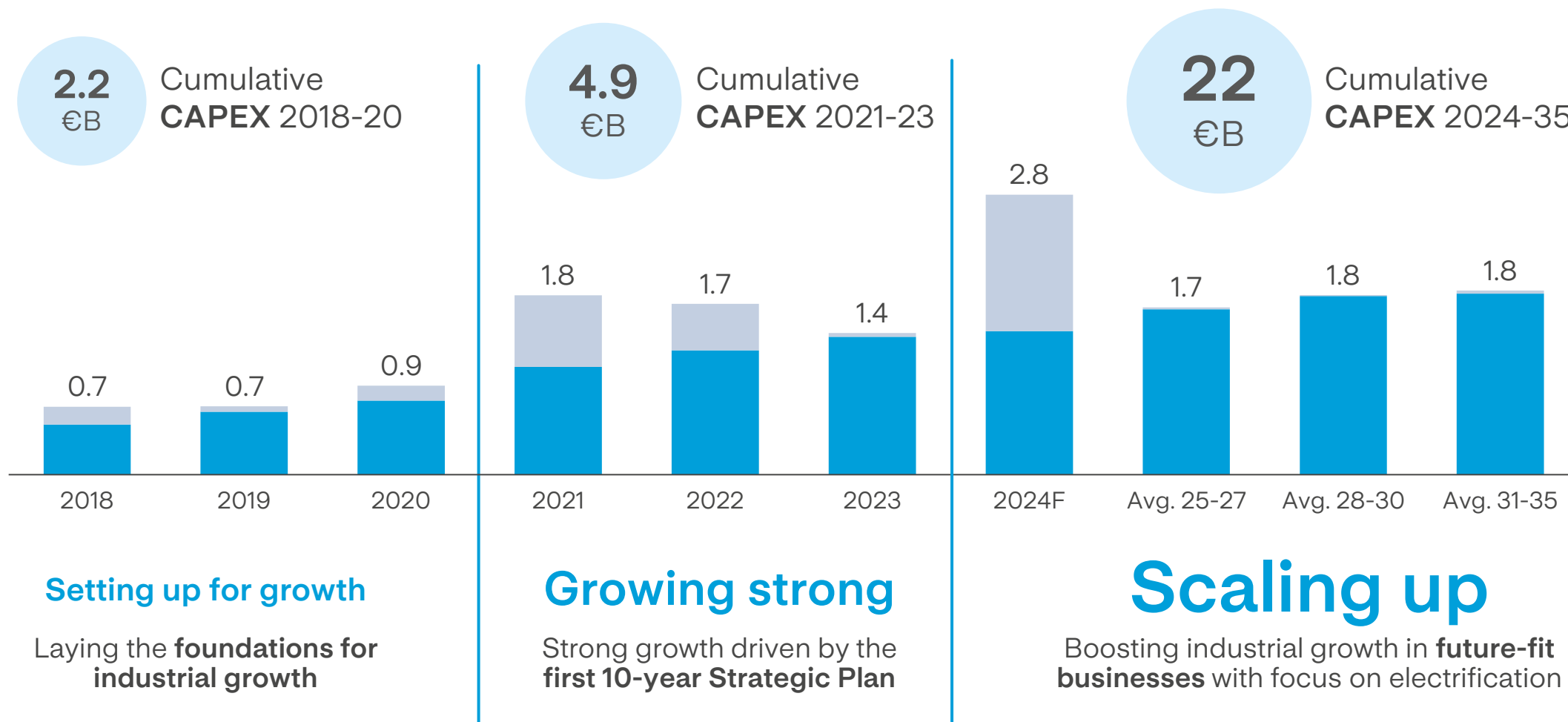
5.7 GW
Renewables¹
@2035

>7 Mt
Waste treated
@2035

In 2021 we embarked on an industrial transformation journey

CAPEX¹ evolution | €B

Industrial CAPEX M&A

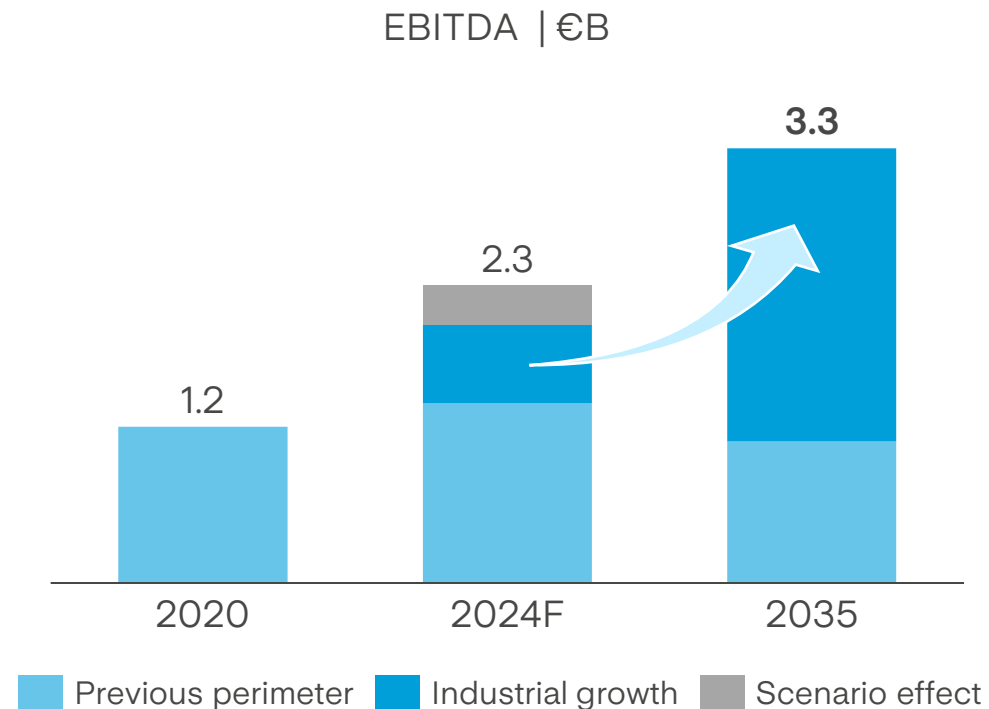


Strong growth of structural EBITDA continues beyond 2024 expectations...

The Group's industrial journey...

...brings our EBITDA to the next level

	Main elements of development	Contribution to 2024 EBITDA
Previous perimeter (pre-2021)	<ul style="list-style-type: none">• Traditional generation• Local M&A• Consolidation of regulated perimeter	1.4 €B
Industrial growth since 2021	<ul style="list-style-type: none">• Renewables (+500MW)• Electricity distribution networks (+400 €M RAB)• Customers (+0.7 M)• Waste treatment (+0.7 Mt)	0.6 €B
Scenario effect	<ul style="list-style-type: none">• High hydrological inflow• Price scenario	0.3 €B



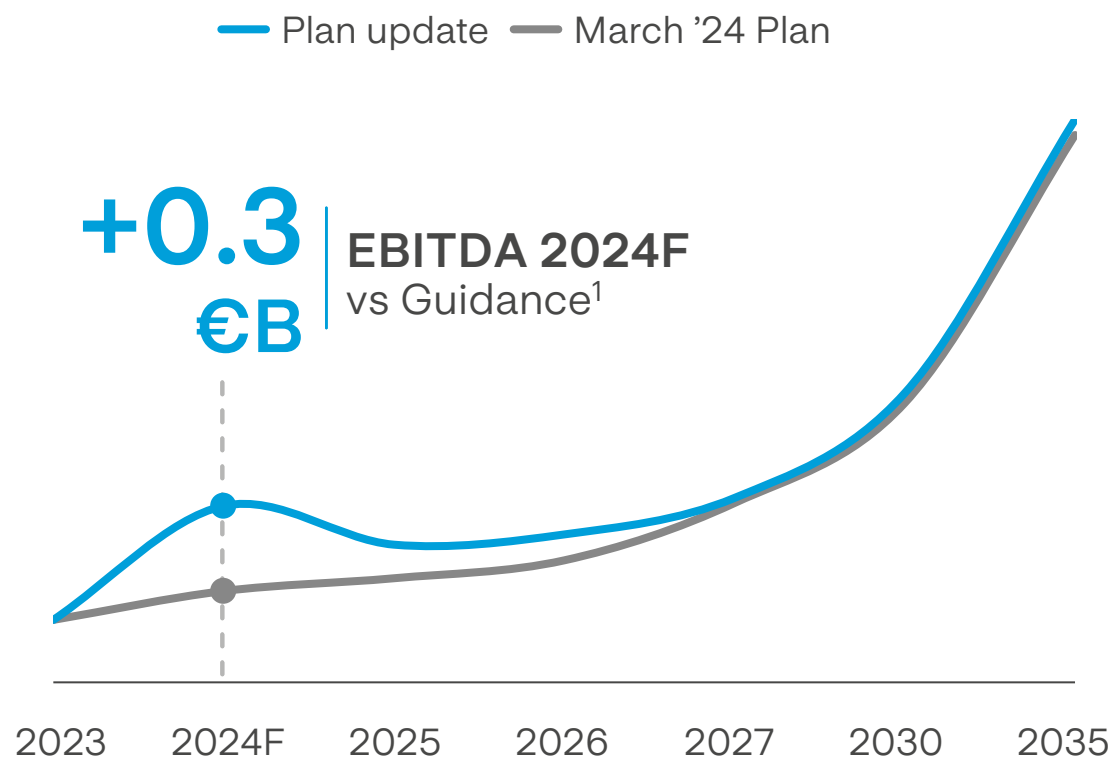
2024 beyond expectations, also driven by the industrial transformation journey undertaken...

...that will **progressively bring our EBITDA over 3 €B**

...enabling us to seize additional market opportunities

2024 EBITDA beyond expectations...

...enables new future-fit investments



Solar plant in Northern Italy

New 100 MW photovoltaic plant in Friuli Venezia-Giulia through M&A of a Ready to Build project

M&A district heating

Acquisition of assets to be integrated in the **district heating network**

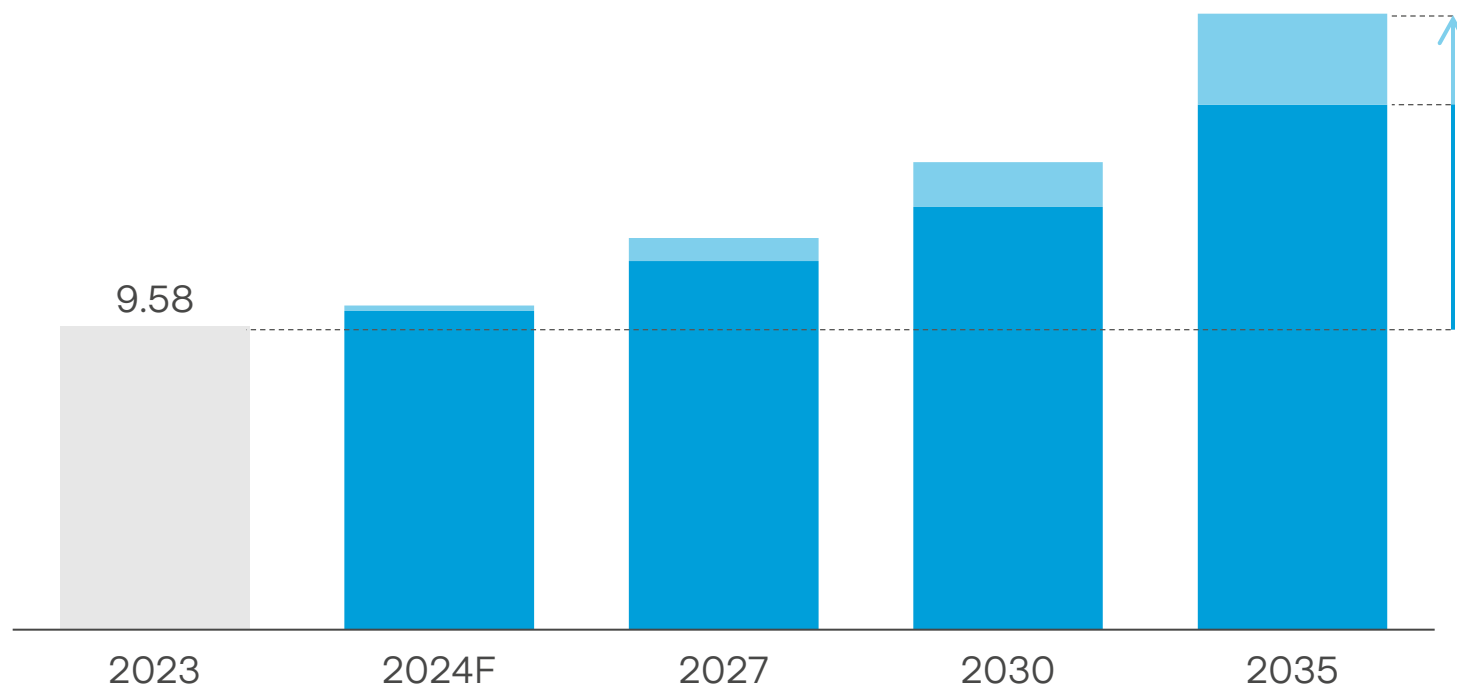
Earlier start of WtE construction site

Construction works of the new Corteolona WtE (~240 kt waste treated yearly) in progress

Thanks to our industrial growth, we increase shareholder value

Improved dividend policy – DPS | €c

■ March '24 Plan ■ Plan update



$\geq 4\%$
YoY

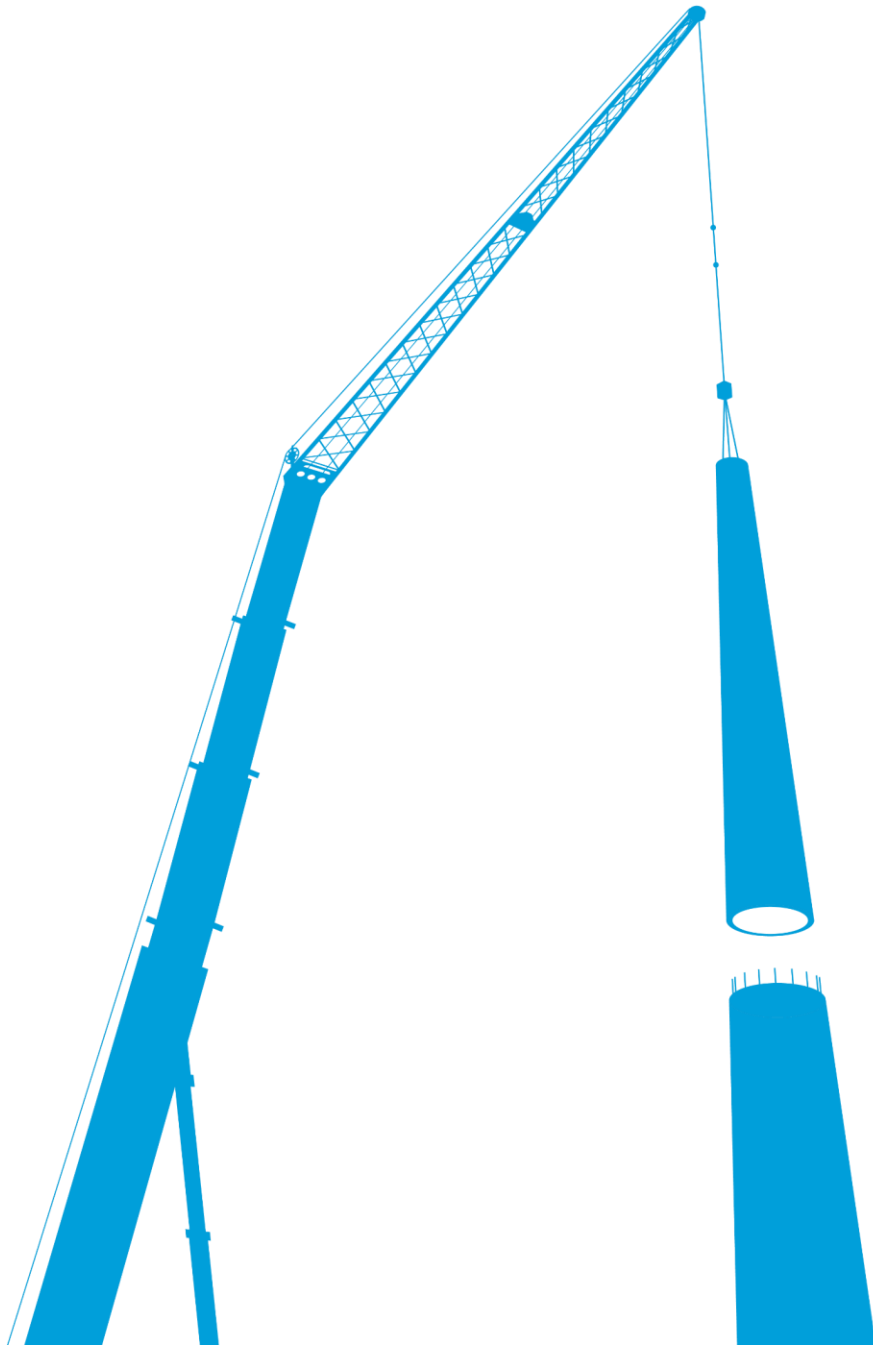
DPS growth

$\geq 3\%$
YoY

DPS growth

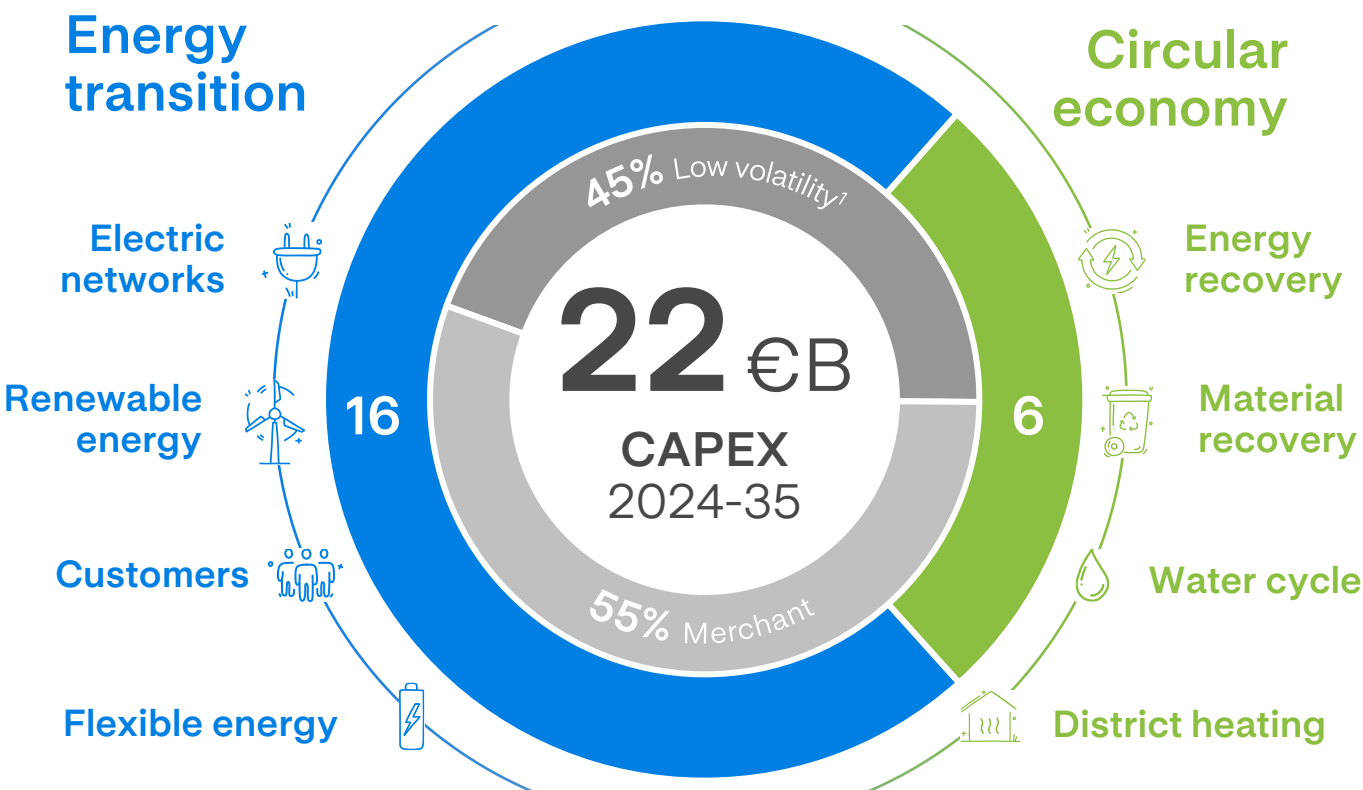
Planned in March '24 Plan

Strategy

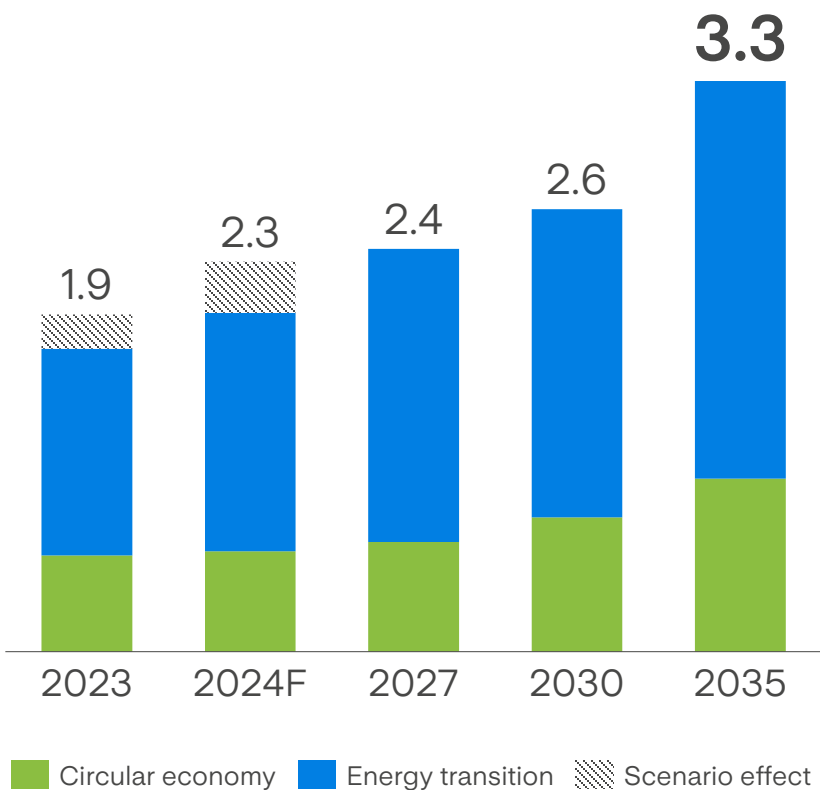


We confirm our strategic pillars to support the ecological transition

CAPEX by pillar | €B



EBITDA by pillar | €B



Notes: (1) “Low volatility” cluster includes electricity, gas and water distribution networks, waste collection, ARERA regulated waste treatment plants, district heating and other semi-regulated businesses (e.g. Capacity Market, Incentivised RES, Heat Management, Bioenergy, ...)

Circular economy to enhance waste and production scraps management



Leader in waste treatment business...

We build **new waste treatment plants** to bridge the **national infrastructure gap**

>7 Mt

Total waste treated @2035

4.0 €B

CAPEX treatment 2024-35



...we give new life to resources...

We offer **circular solutions** to create **new products** from waste

>2 Mt

Material recovery @2035

~75%

Waste sorting index @2035



...reducing waste

We leverage latest technologies to **recover industrial waste** and reduce **the use of resources**

~60%

Renewable heat @2035

13 m³

Water leakage by km/day @2035

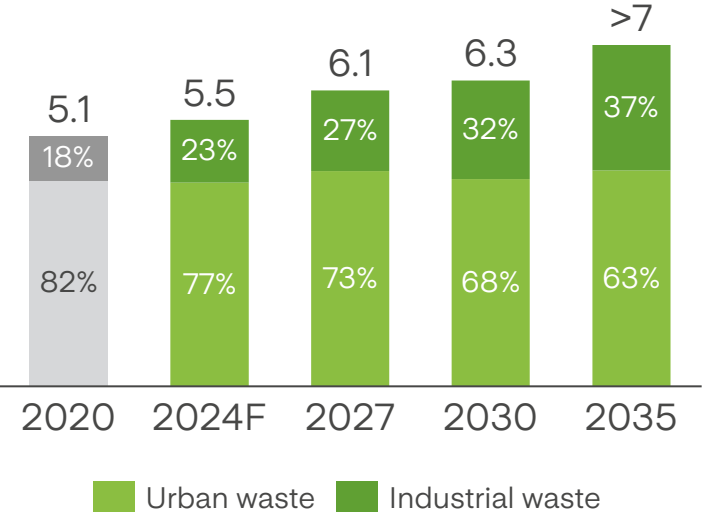
Consolidating our leadership in the waste treatment business

We manage people and businesses waste

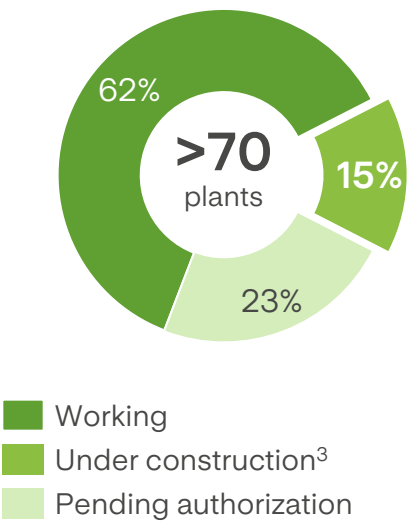
thanks to the development of our plants
for energy and material recovery

 Plastic plant
Muggiano

Total waste treated¹ | Mt



Treatment plants pipeline 2024-35



11 construction sites
including the main ones

Waste treated @2035	
 Plastic plant Muggiano	~50 kt
 Sludge Parona	~85 kt
 WtE Trezzo	~170 kt
 WtE Corteolona	~240 kt
 WtE Crotone	~65 kt

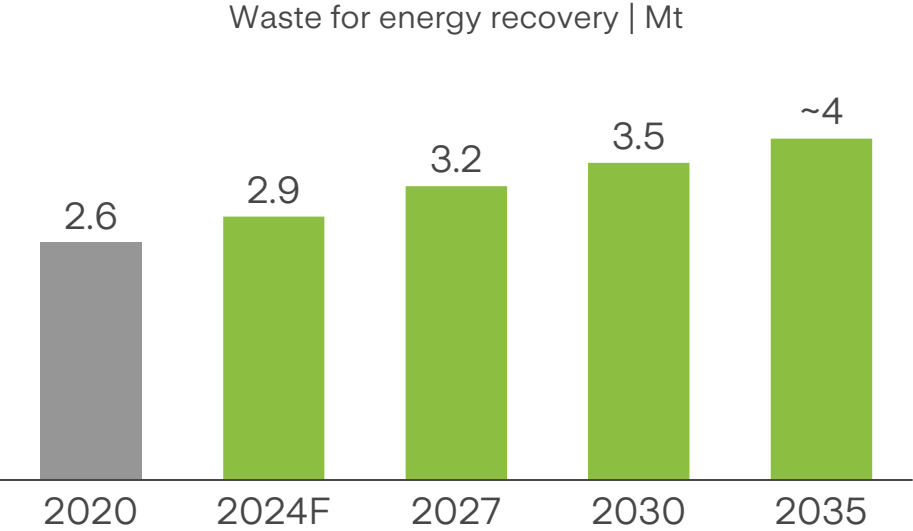
 Completed  Work in progress

4.0 €B CAPEX treatment² 2024-35

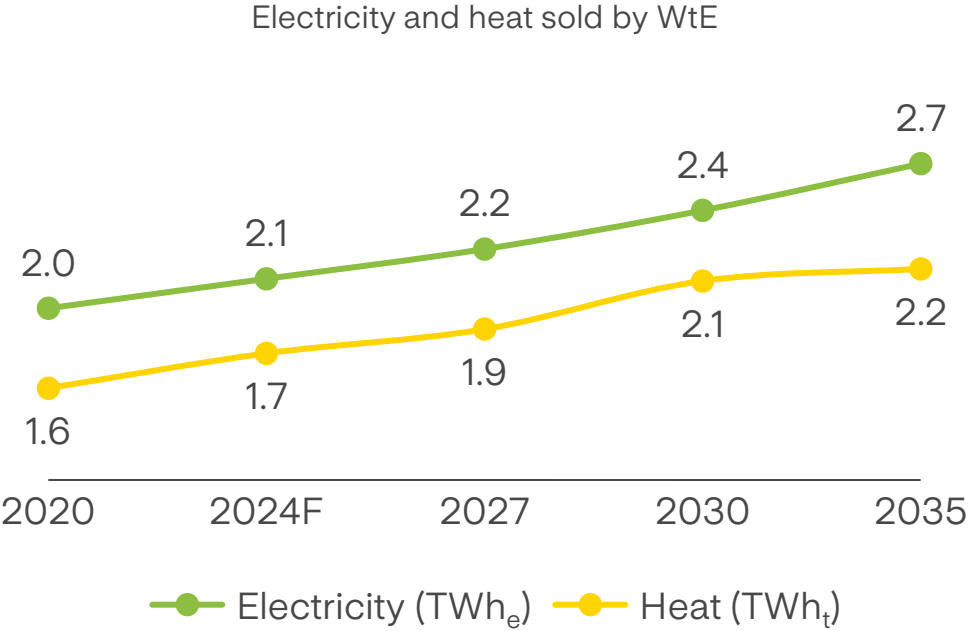
~0.7 €B EBITDA treatment² @2035

Strengthening our role in the energy recovery business

We recover energy from waste



transforming waste into electric and thermal energy



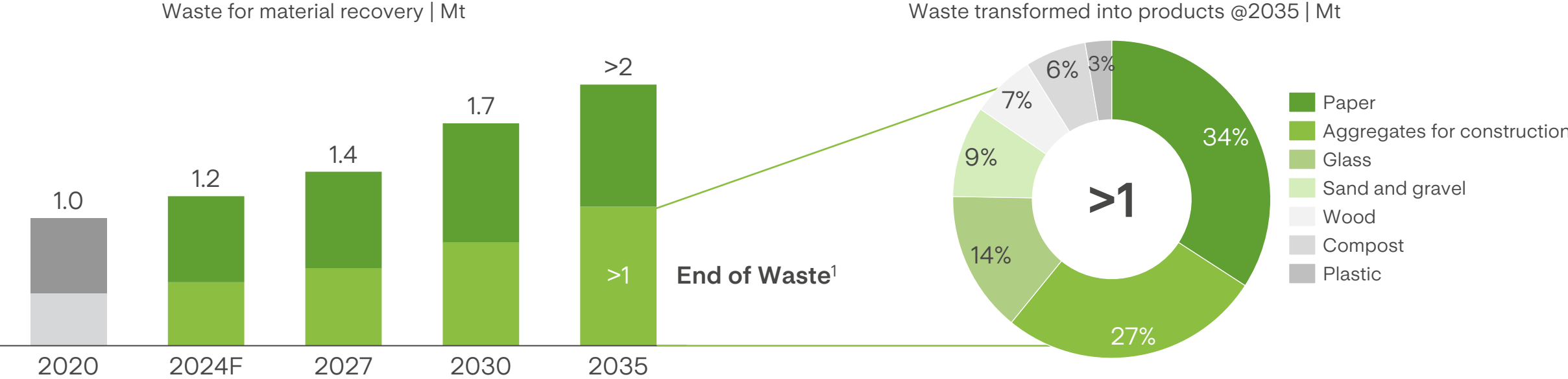
1.8 €B CAPEX energy recovery 2024-35

>0.5 €B EBITDA energy recovery @2035

We recover materials, closing the waste cycle for 7 fractions

Confirmed targets on material recovery

closing the cycle and transforming waste into products



1.3 €B CAPEX material recovery 2024-35

>0.1 €B EBITDA material recovery @2035

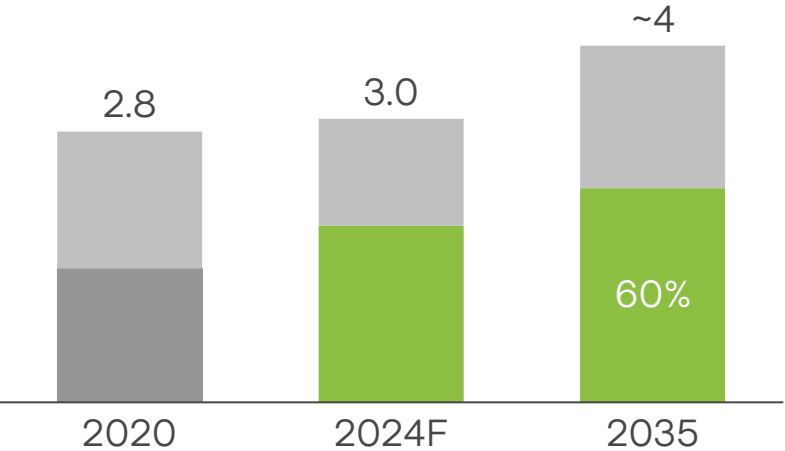
We capture new opportunities in the heat recovery business

We recover heat to fuel district heating in cities

by expanding our renewable heat sources

 Heat recovery
REA Dalmine

Heat volumes sold | TWh_t



■ Renewable heat and heat recovered from industrial waste

Main news on construction sites

Waste to Energy plant Rea Dalmine

90 GWh_t

of heat recovered
every year by the
Waste to Energy plant

11 k

equivalent apartments
supplied with the
additional heat generated

Data center

15 GWh_t¹

fed into **Milano Ovest
network** and recovered
from Avalon 3

16 GWh_t¹

fed into **Brescia network**
and recovered from
Lamarmora data center

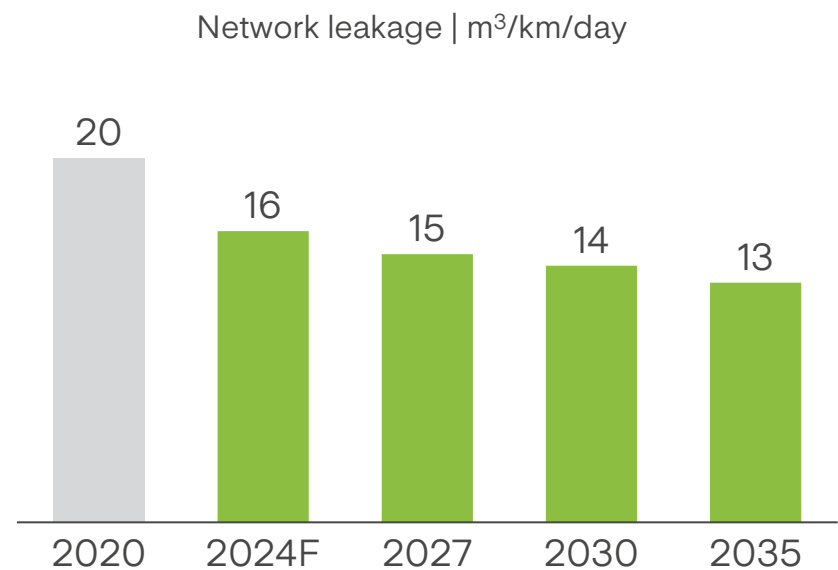
— ~0.8 €B CAPEX district heating 2024-35

— ~0.1 €B EBITDA district heating @2035



Renewing our commitment to preserve water resource

We reduce water network leakage



We increase our water treatment capacity



6 water treatment plants under construction

	Equivalent inhabitants served
✓ Vobarno	12 k
✓ Calvisano	12 k
👷 Mazzano Ciliverghe	16 k
👷 Pralboino	12 k
👷 Visano	20 k
👷 Bagolino	6 k

✓ Completed 👷 Work in progress



100% wastewater sludge recovered and transformed into energy, closing the cycle within our plants



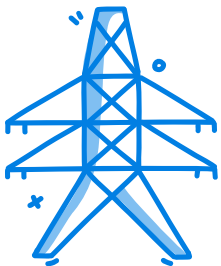
Water treatment plant Pralboino



0.5 €B CAPEX water cycle 2024-35

~0.1 €B EBITDA water cycle @2035

Energy transition to provide clean energy



We support electrification...

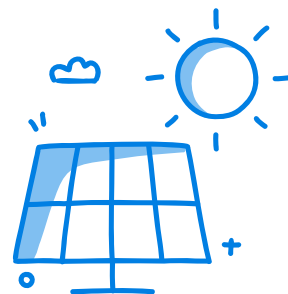
By investing in **robust and efficient networks**, we support the electrification of consumption

3.4 €B

Electricity
network RAB
@2035

2.1 M

Electricity POD
@2035



...with clean and low-cost energy...

We are committed to developing **new plants** to produce **energy** at **competitive costs** for the system

5.7 GW

RES capacity
@2035

4.7 €B

CAPEX RES
2024-35



...for businesses and customers

We offer **innovative solutions** to **ensure** green **energy** for our customers

>5 M

Customer base
@2035

800 k

Acquisitions/
year¹ 2025-35

We confirm our commitment to supporting electrification

We strengthen our electricity distribution infrastructure

Focus on electricity network

In line with the trend of electrification of consumption and supporting the energy transition

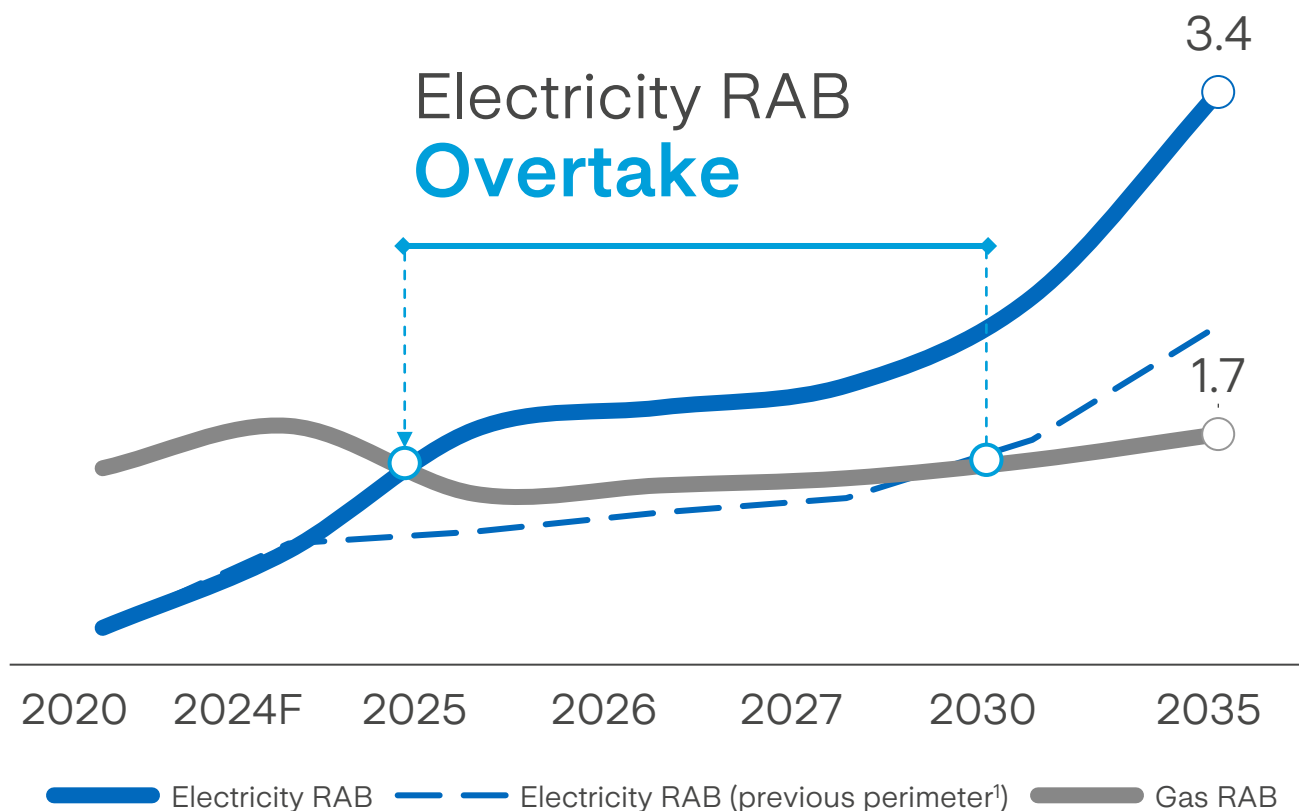
Broadening the scope

Through the acquired assets in Milan and Brescia that will make the network management more efficient

Reduced investments in gas network

Planned reduction of gas networks: potential divestment in the areas of Brescia, Bergamo, Cremona, Pavia and Lodi under evaluation

Distribution networks RAB | €B



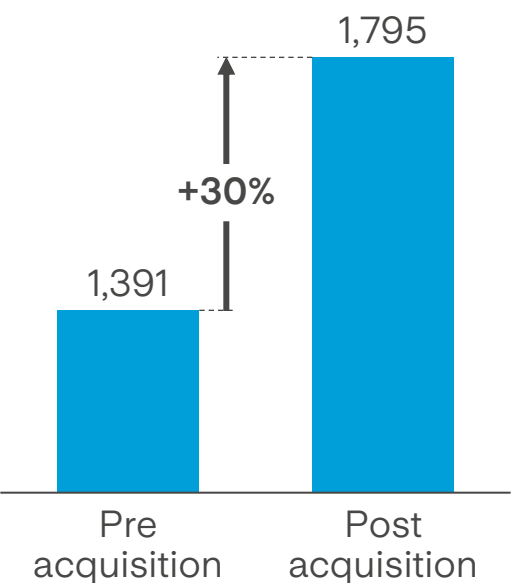
Our infrastructures enable the energy transition

We keep working to upgrade and strengthen electricity infrastructures

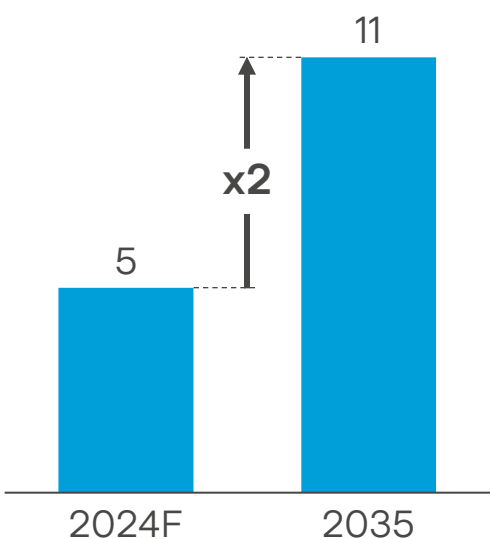


Primary
substation
Comasina

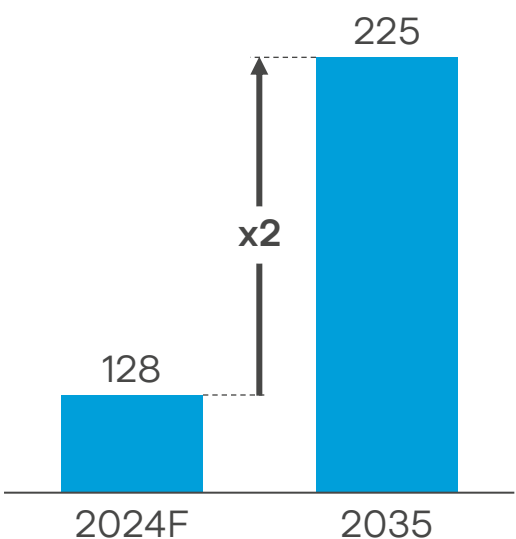
Operational synergies¹ | POD/FTE



Network capacity¹ | GW



Profitability¹ EBITDA/POD | €

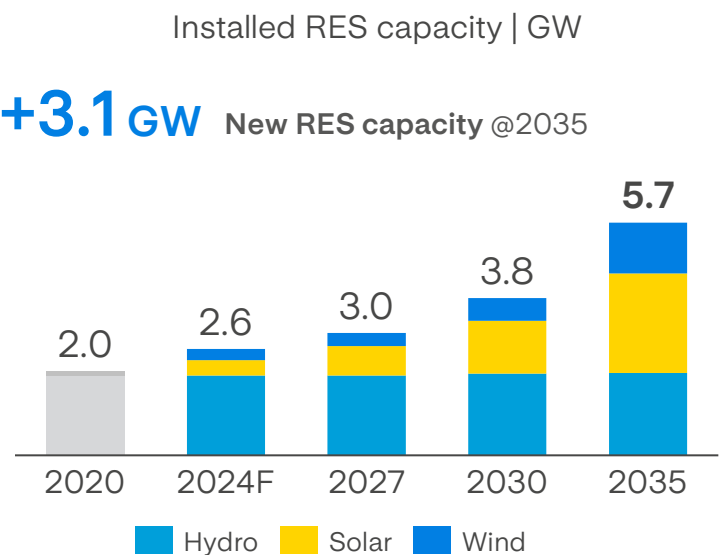


~4.1 €B CAPEX electricity network 2024-35² ~0.5 €B EBITDA electricity network @2035

Notes: (1) Refers to the entire A2A perimeter and includes synergies from the acquisition of electricity network in Milano and Brescia area; (2) Including industrial CAPEX for the assets in the previous perimeter and assets after acquisition. Excluding M&A investment

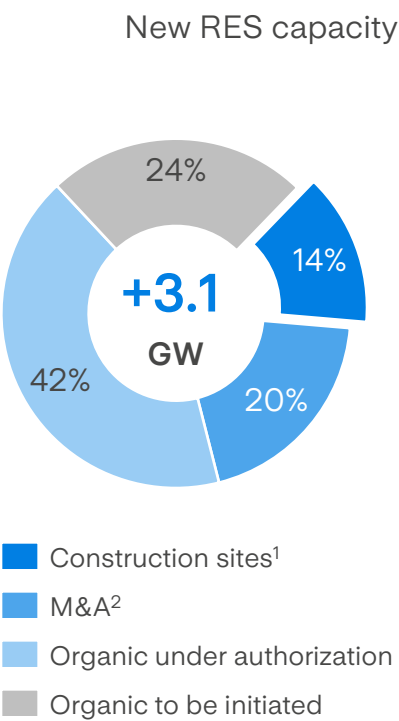
We invest in renewables with a balanced and diversified approach

We diversify RES technologies



To integrate new RES in the energy system, we will develop **+0.7 GW storage @2035**

and our approach to develop new capacity



0.4 GW construction sites including the main ones

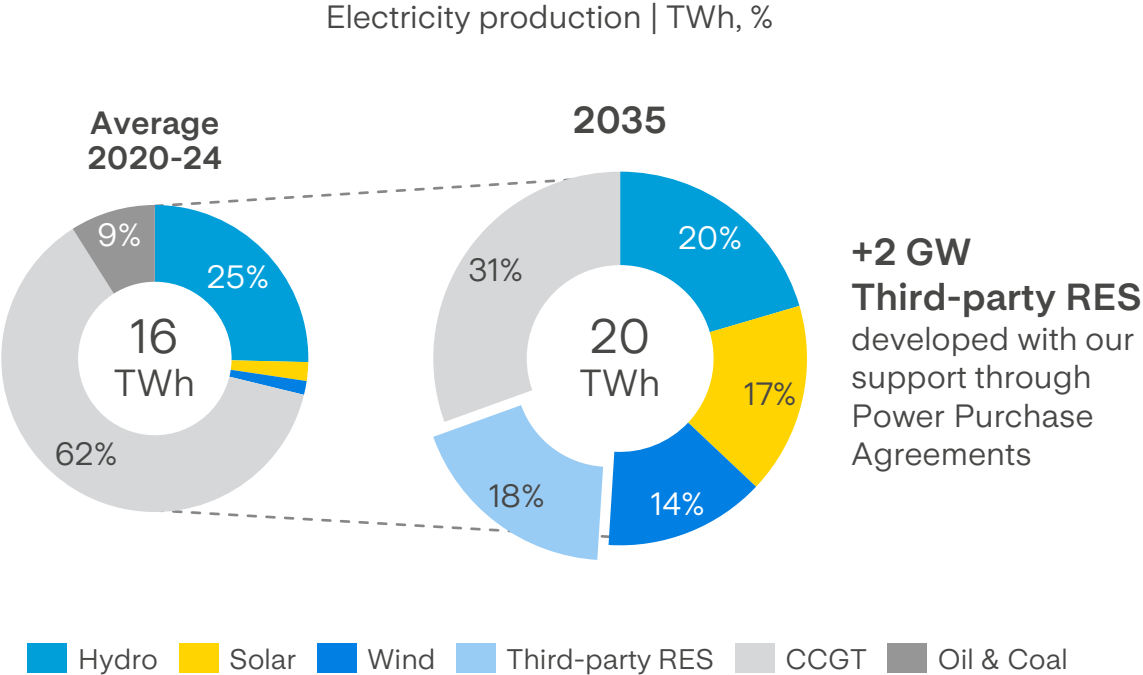
- | | |
|-----------------------|--|
| ✓ Mazara | |
| Terzo di Banzi | |
| Santo Stefano | |
| Parco Solare Friulano | |
| Freguglia | |
| Tiglio | |
- ✓ Completed Work in progress

4.7 €B CAPEX RES 2024-35

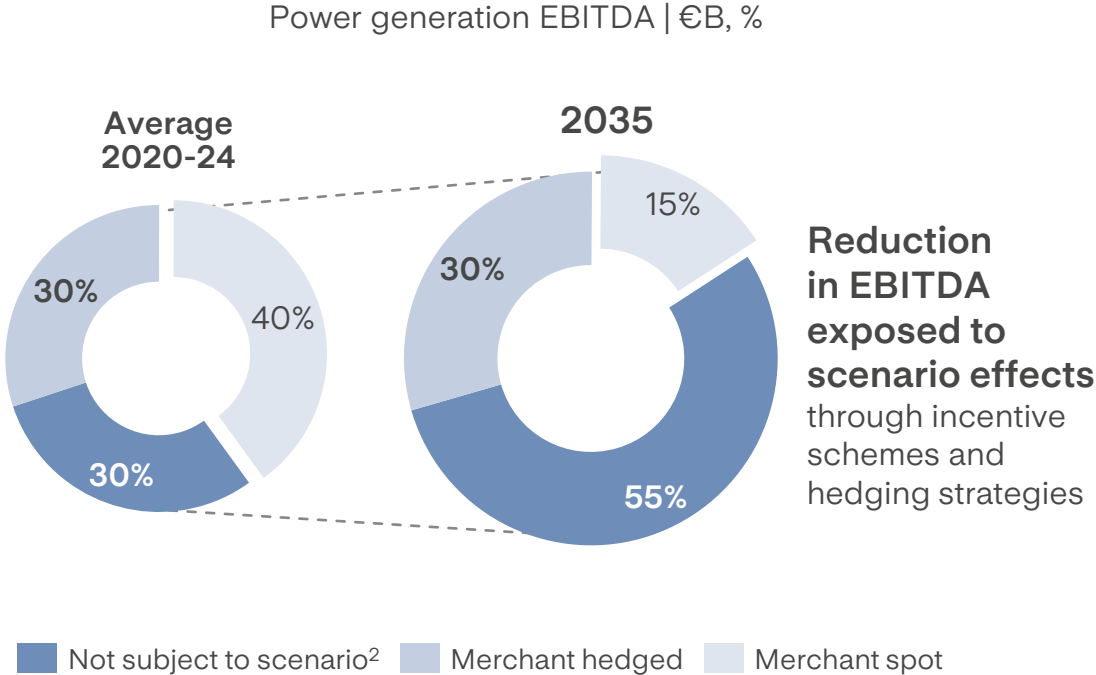
0.7 €B EBITDA RES @2035

Resilient margins, less exposed to market volatility

Growing volumes: more renewables and diversification



Less exposed to scenario volatility

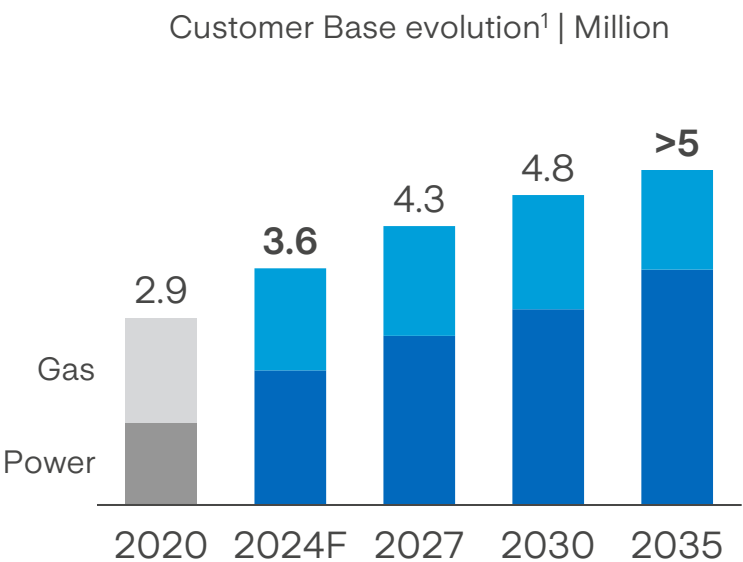


>3x RES volumes¹ @2035 vs average 2020-24

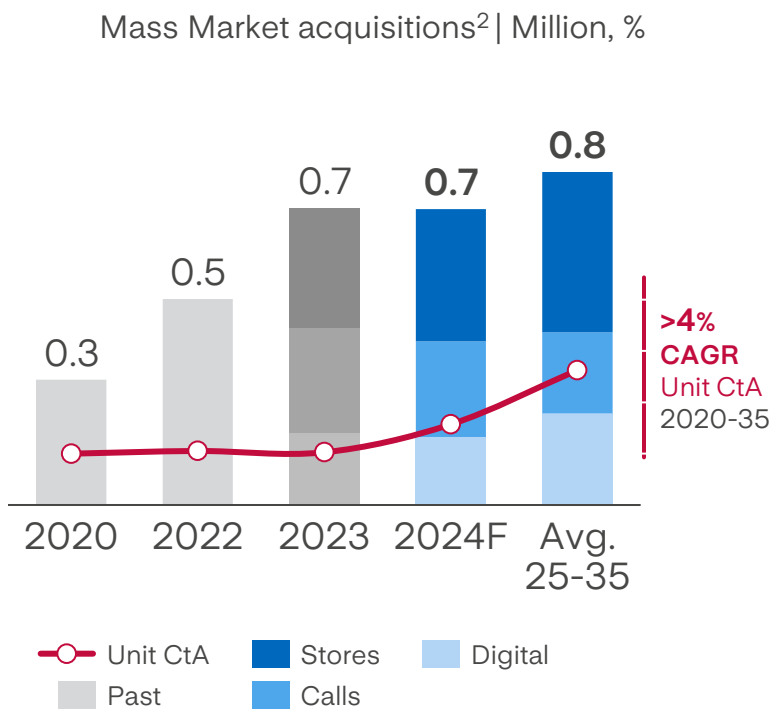
>50% RES production¹ with PPAs and incentives @2035

Expanding an increasingly electrified customer base

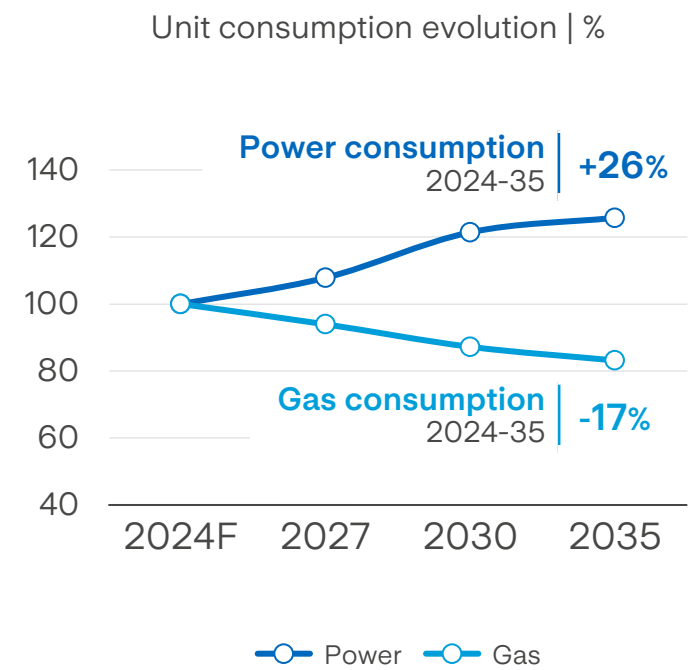
We achieve our growth targets



thanks to a successful acquisition track record...



...supporting the electrification of consumption



~3x Electricity Customer Base 2035 vs 2020

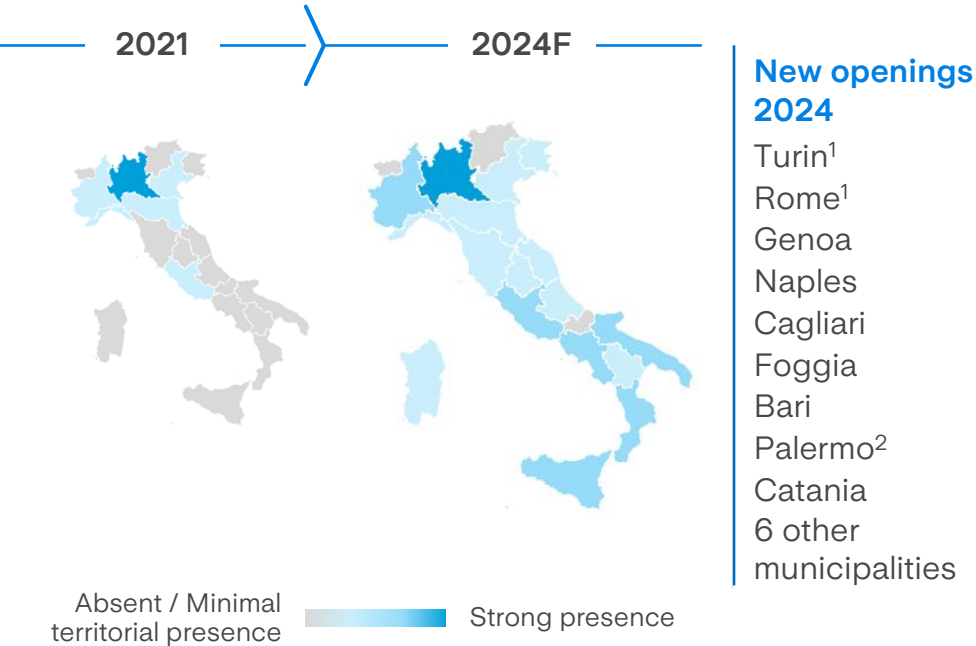
0.7 €B EBITDA Market @2035

We strengthen our geographical presence with an innovative offer

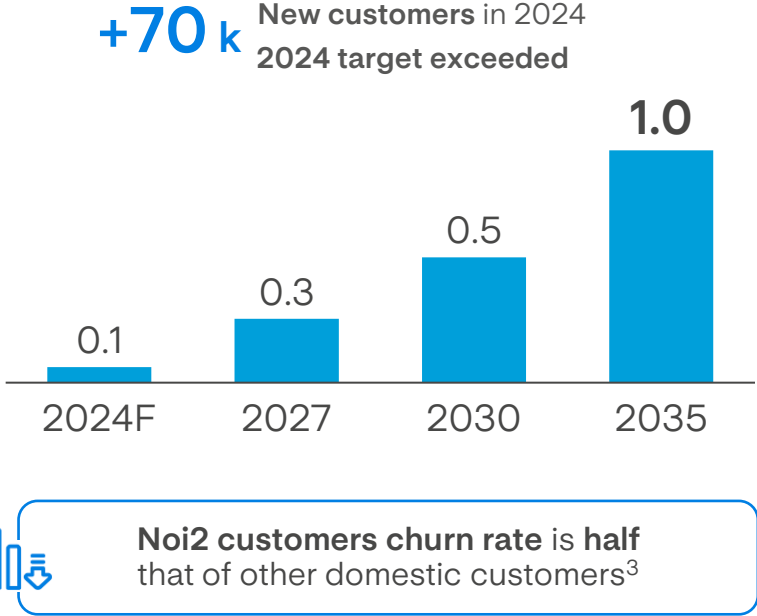
Development of physical stores to extend our geographic coverage and reinforce acquisitions

Our PPA offering creates value for customers, securing their long-term loyalty

Evolution of acquisitions by physical channels



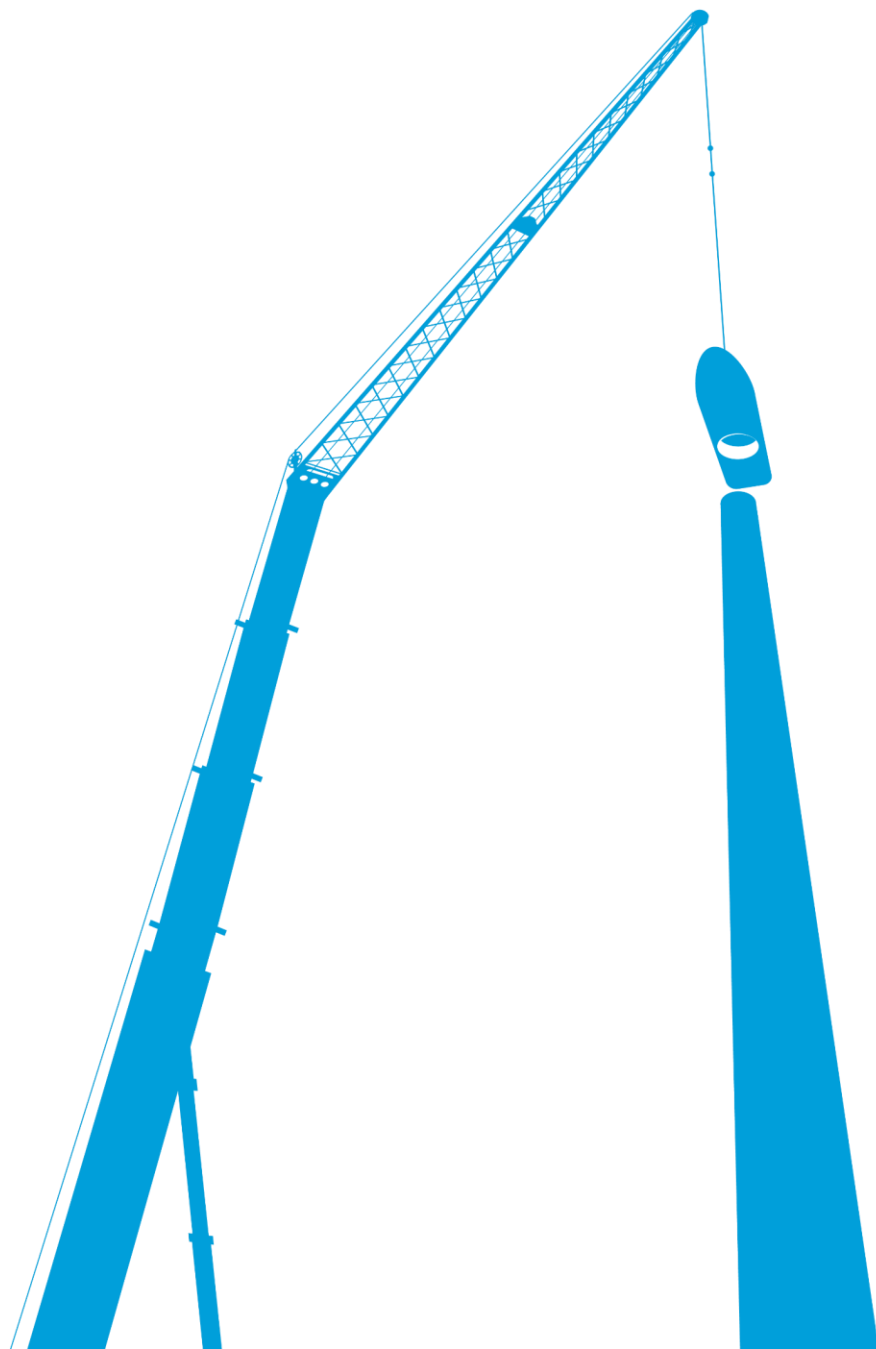
Customer Base with PPAs Mass Market | Million



>120 customer service stores across Italy by 2030

>2.5 TWh PPAs Mass Market volumes @2035



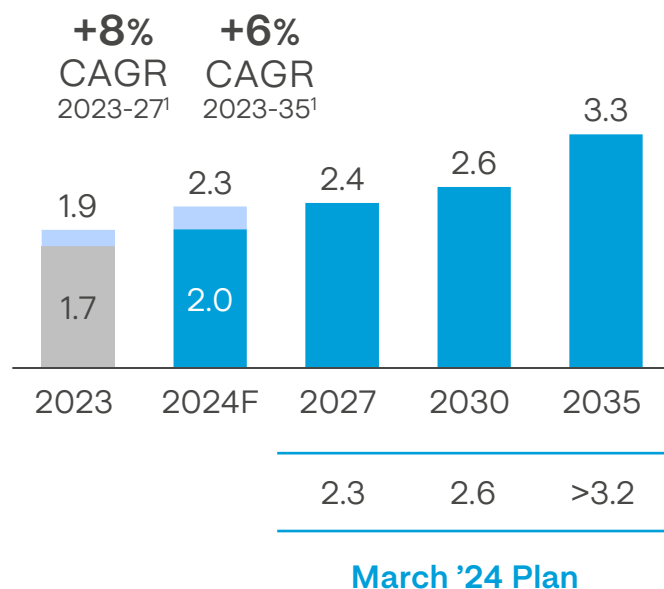


Financials

Solid earnings profile

EBITDA | €B

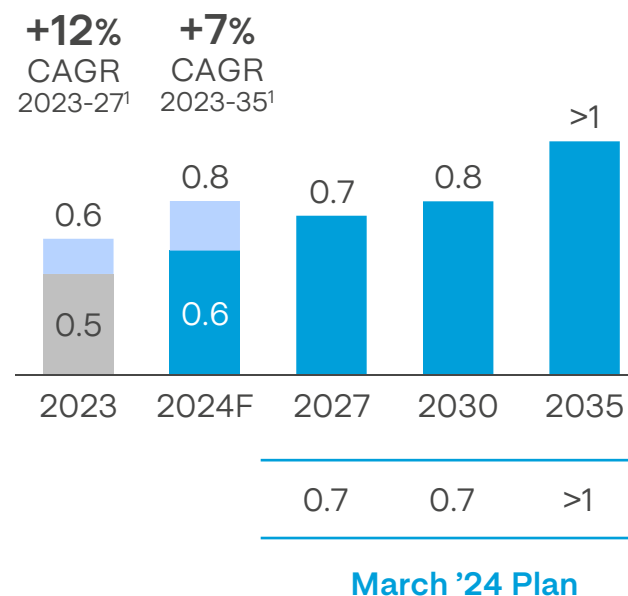
3.3 €B @2035



Scenario effect

Ordinary Net Income | €B

>1 €B @2035



Scenario effect

Value for shareholders

>9% Return on Investments² (ROI)

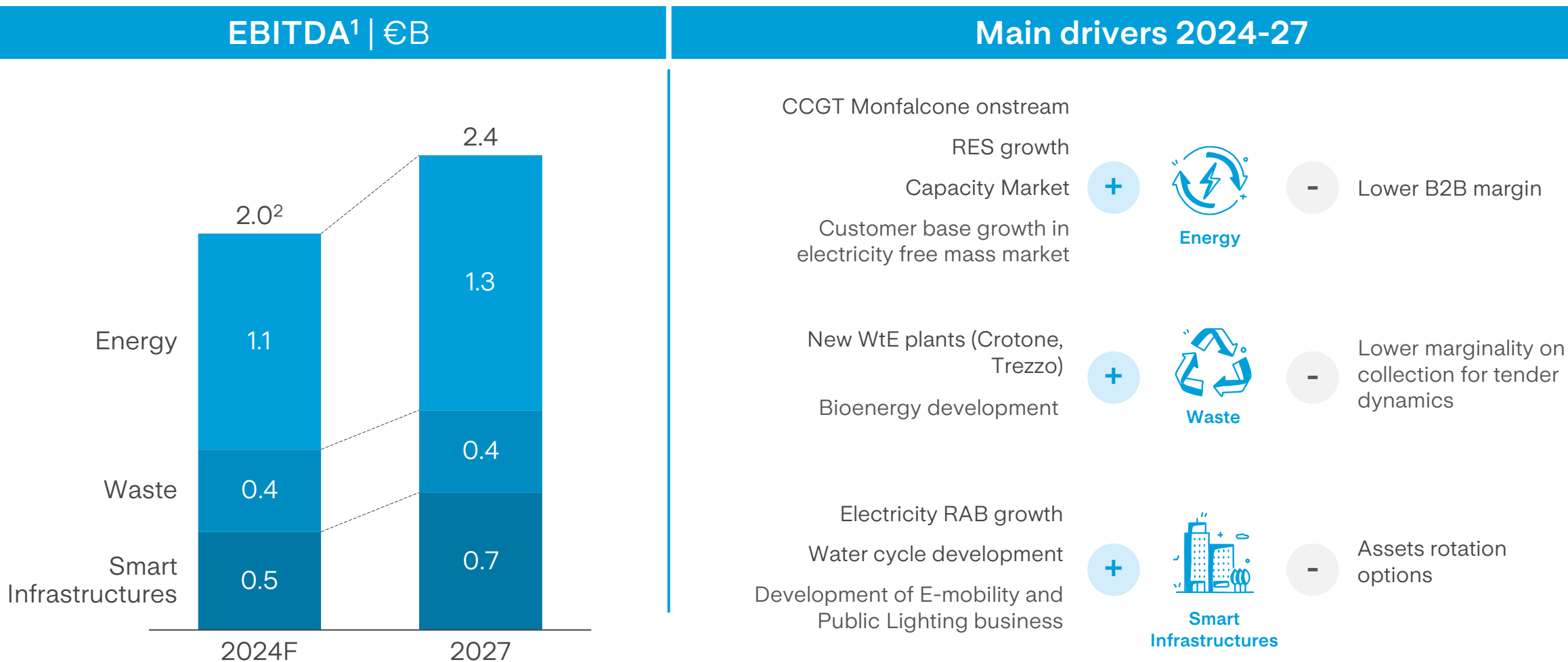
12% Return on Equity³ (ROE)

~12% Total Shareholder Return⁴ (TSR)

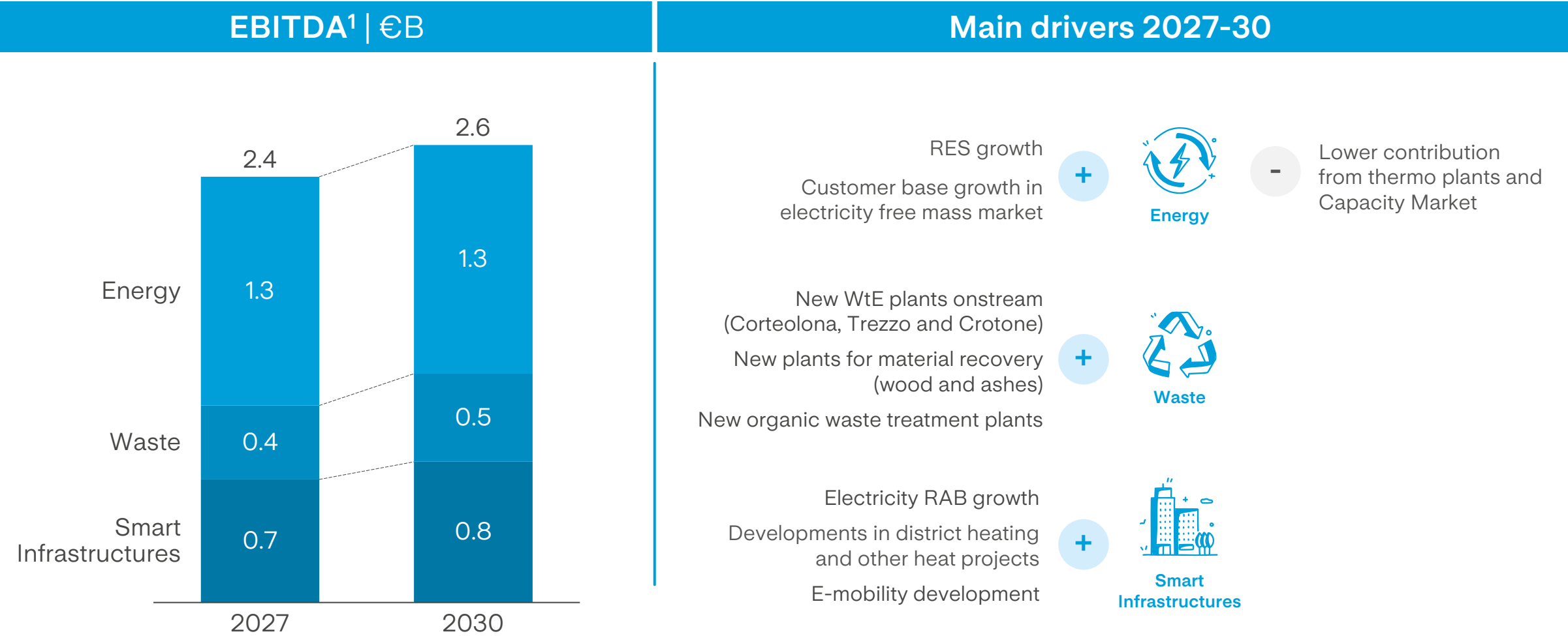
Sound industrial growth supported by disciplined capital allocation

Notes: (1) CAGR calculated from 2023 net of scenario effect; (2) ROI calculated as EBIT on Net Invested Capital, average 2024F-2035; (3) ROE calculated as Net Income including hybrid coupon / Equity pertaining to the Gruppo, average 2024F-2035; (4) Prospective value calculated assuming unchanged multiples. EPS CAGR ~7% and Dividend Yield ~5% with share price calculated as October 2024 monthly average (2.11 €/share)

Visibility of short-term EBITDA target



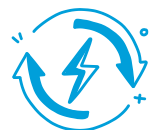
Medium-term target confirmed



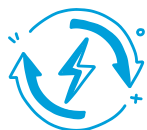
Integrated and diversified portfolio that fosters cross-business synergies

Examples of our integrated business model

Benefits of our multi-business strategy



RES production



Energy sale

>75%

energy production from RES
over retail customers volumes



Waste collection



Waste treatment

>70%

urban waste collected
and treated in A2A plants



Waste to Energy



District heating

>50%

district heating volumes sold
from WtE plants

Adjusting our growth strategy

to market trends thanks to our flexible approach

Risk management optimization

thanks to services portfolio diversification

Synergies' resulting

from economies of scale and cost efficiency

Competitive positioning

with increased opportunities to enter new markets

2025 Guidance

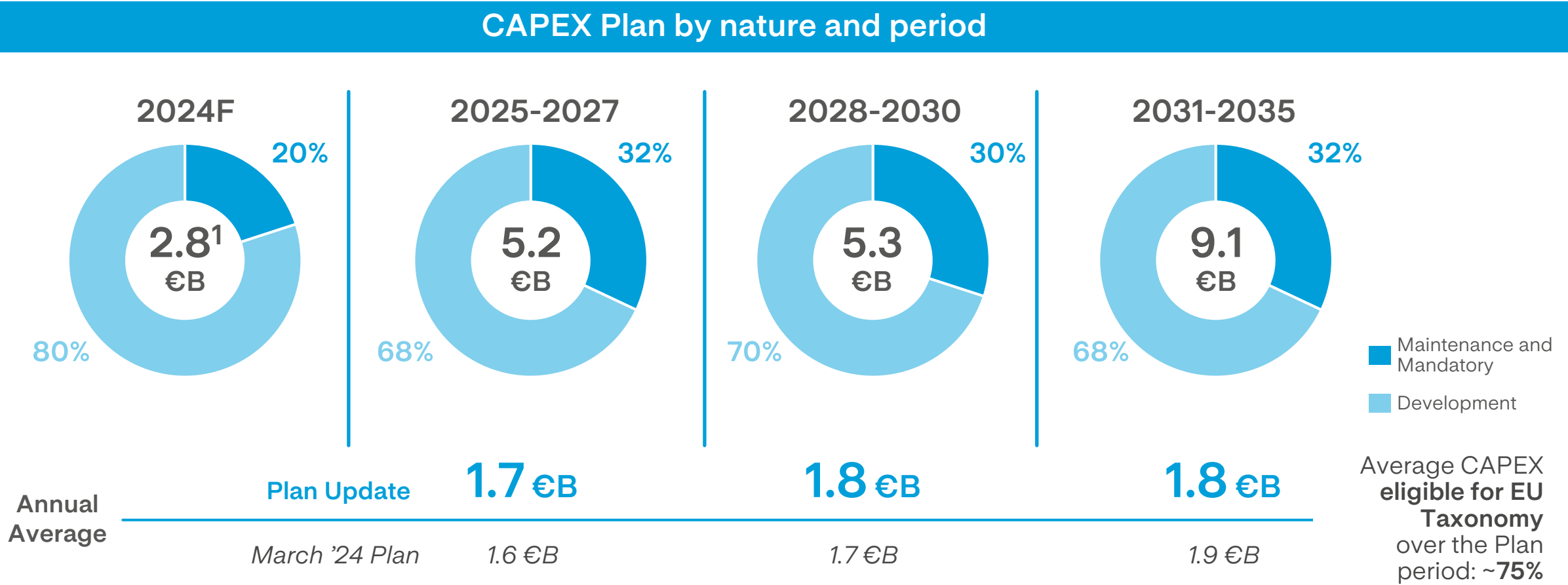
2.17 – 2.20

EBITDA | €B

0.68 – 0.70

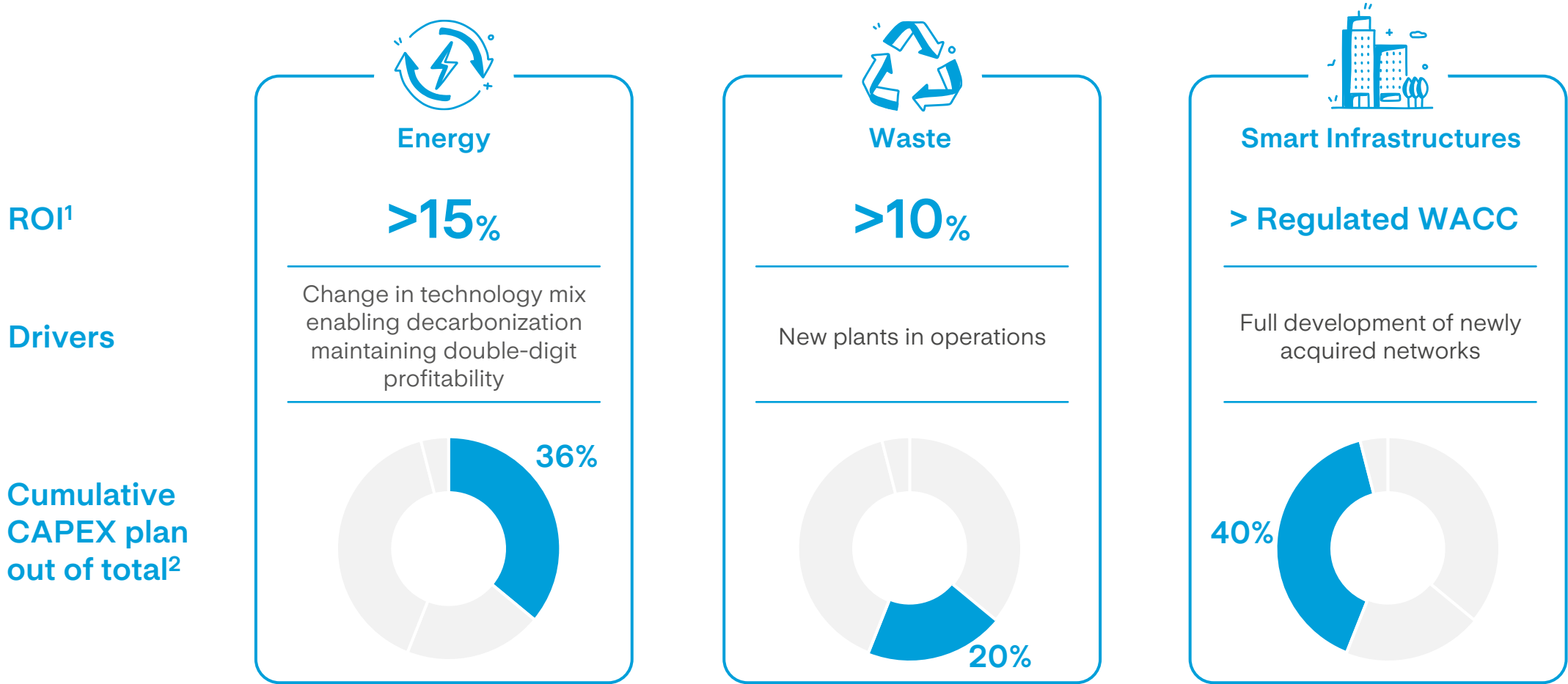
Ordinary **Net income** | €B

CAPEX Plan with a front-end profile



Capital allocation priorities confirmed: Strategic ↔ Financial ↔ ESG

Capital allocation for value creation

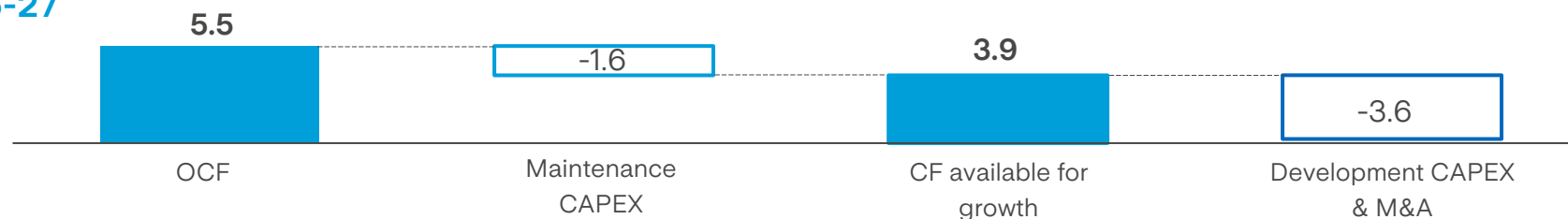


Group extra return on WACC \geq 200 bps

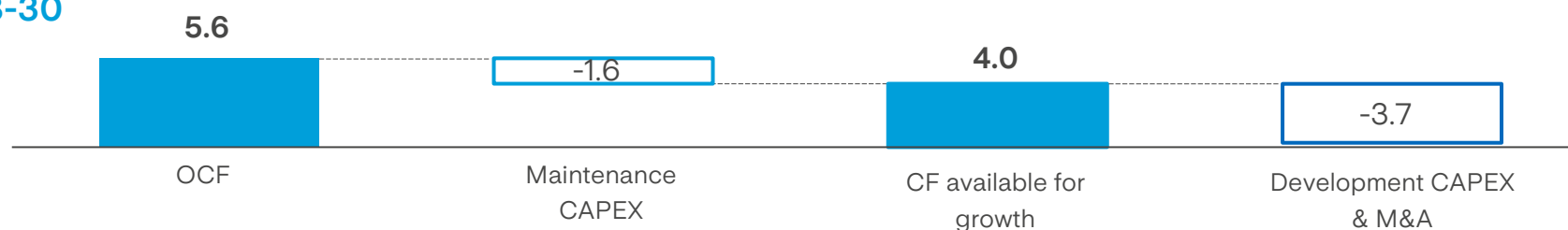
Gross investments financed by cash generation

Cash flow¹ | €B

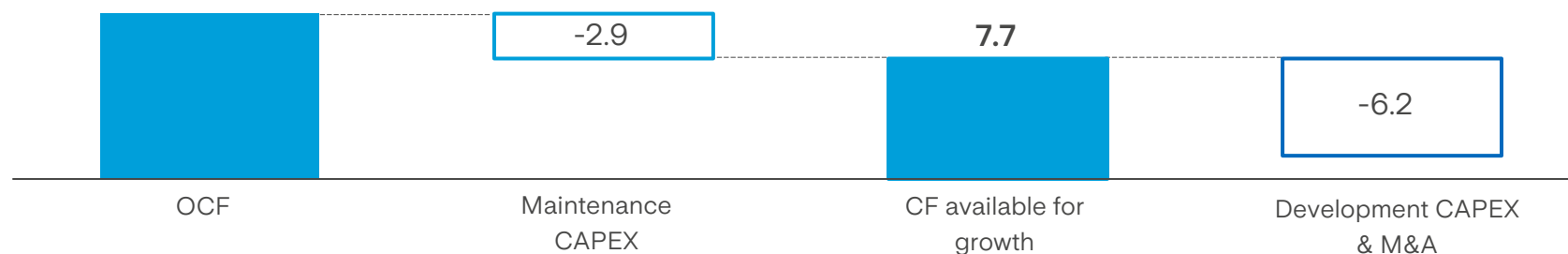
2025-27



2028-30



2031-35

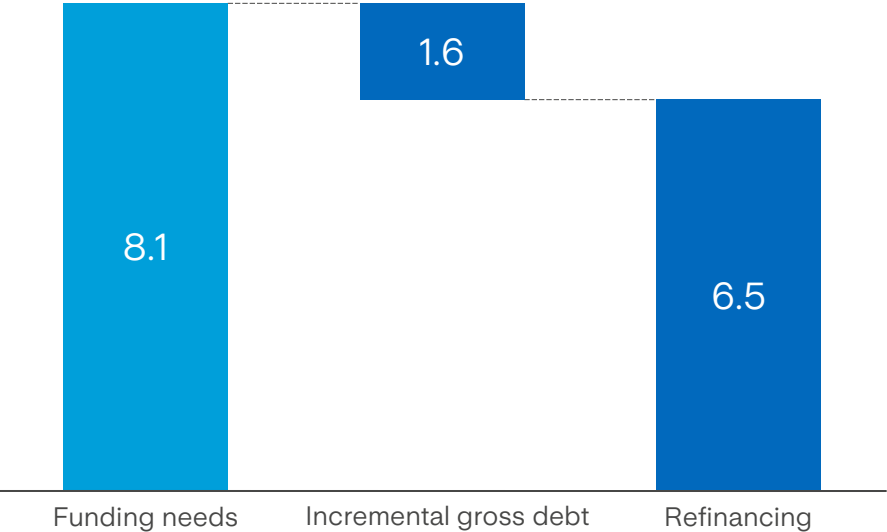


+15.6 €B
Cash generation for
Group's growth

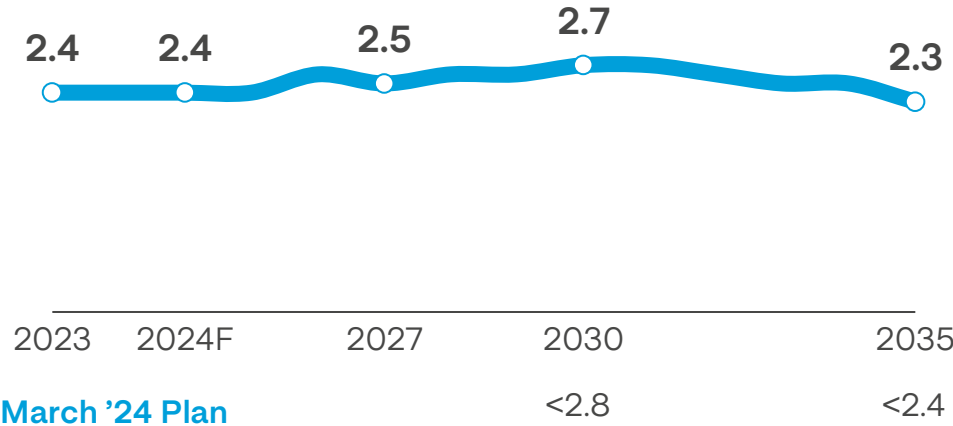
>50%
Cash Conversion²

Net Debt evolution

Funding needs 2025-35 | €B



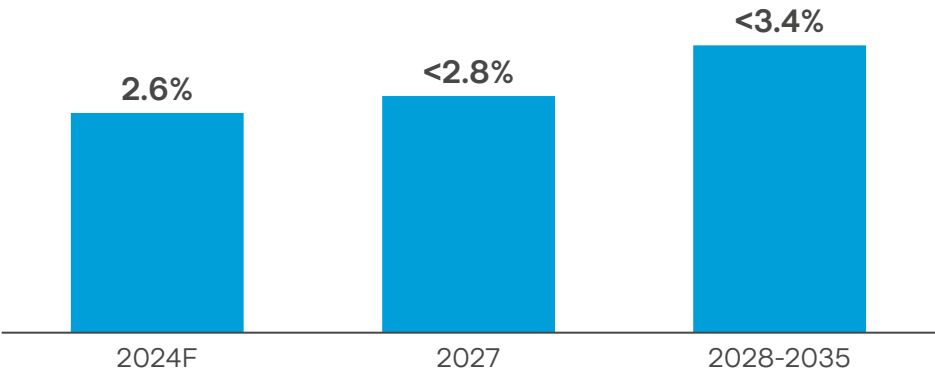
NFP/EBITDA | x



Decreasing NFP/EBITDA and limited incremental debt thanks to industrial growth and strict financial discipline

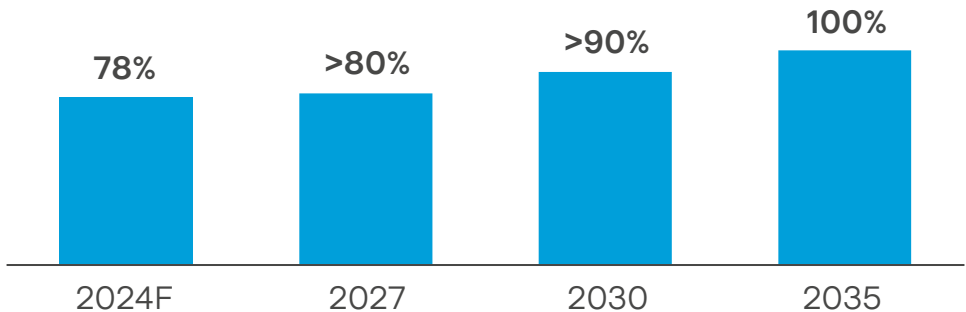
Proactive financial management

Average cost of debt¹

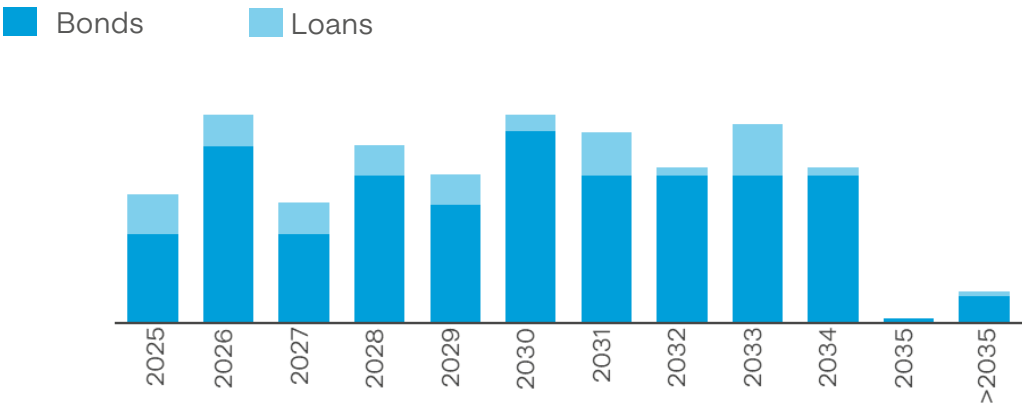


Sustainable Finance

ESG debt on total | %



Debt maturity profile²

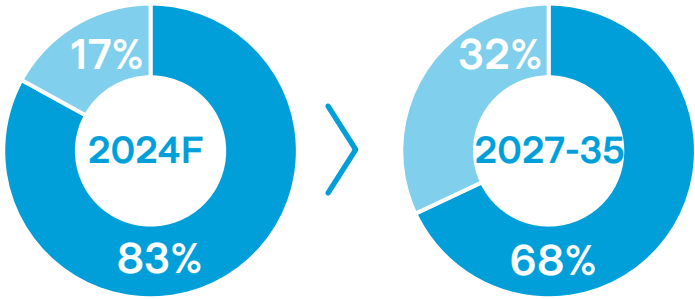


Debt structure

Fixed rate Variable rate

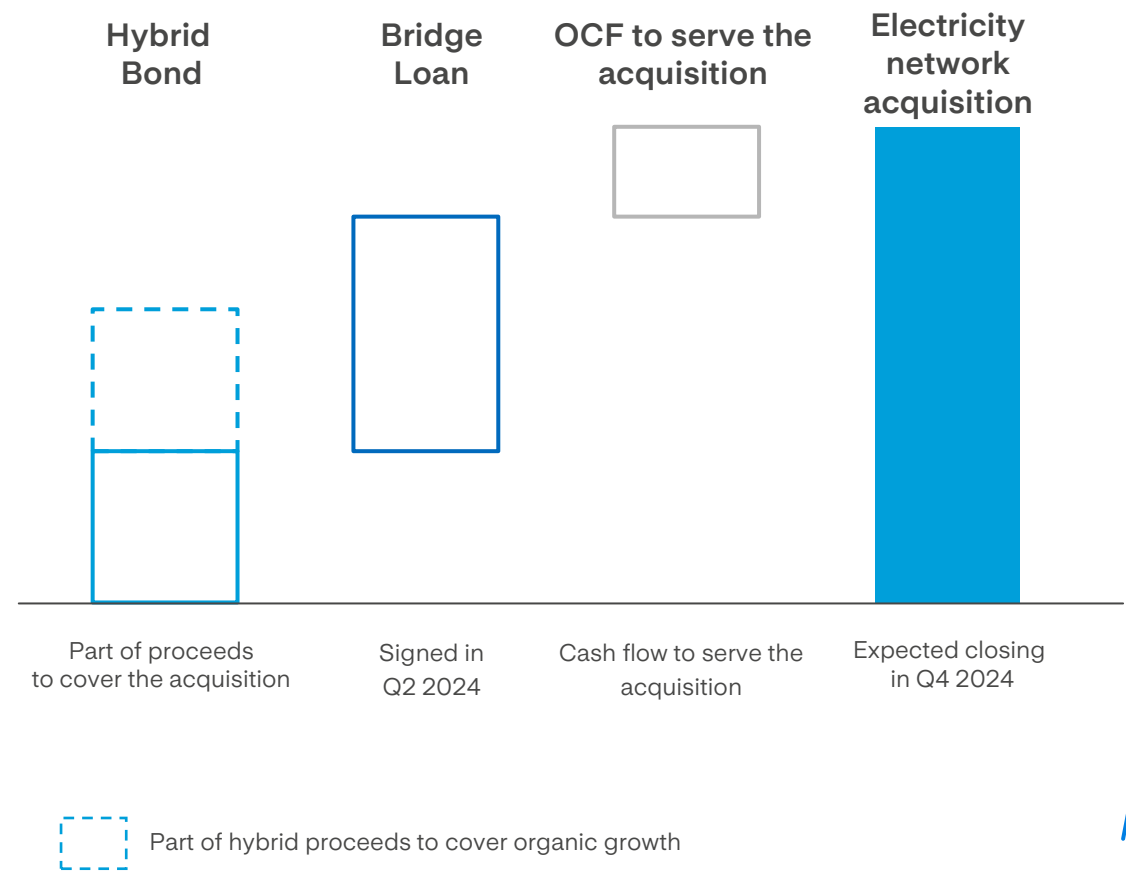
>5 years

Average duration



2024 liquidity position remains strong after electricity grid acquisition

Acquisition fully financed, guaranteeing strong liquidity position at year end



Hybrid bond issuance covering both **organic growth** and **acquisition**

Bridge loan signed to support **financing needs** in the **short-term**

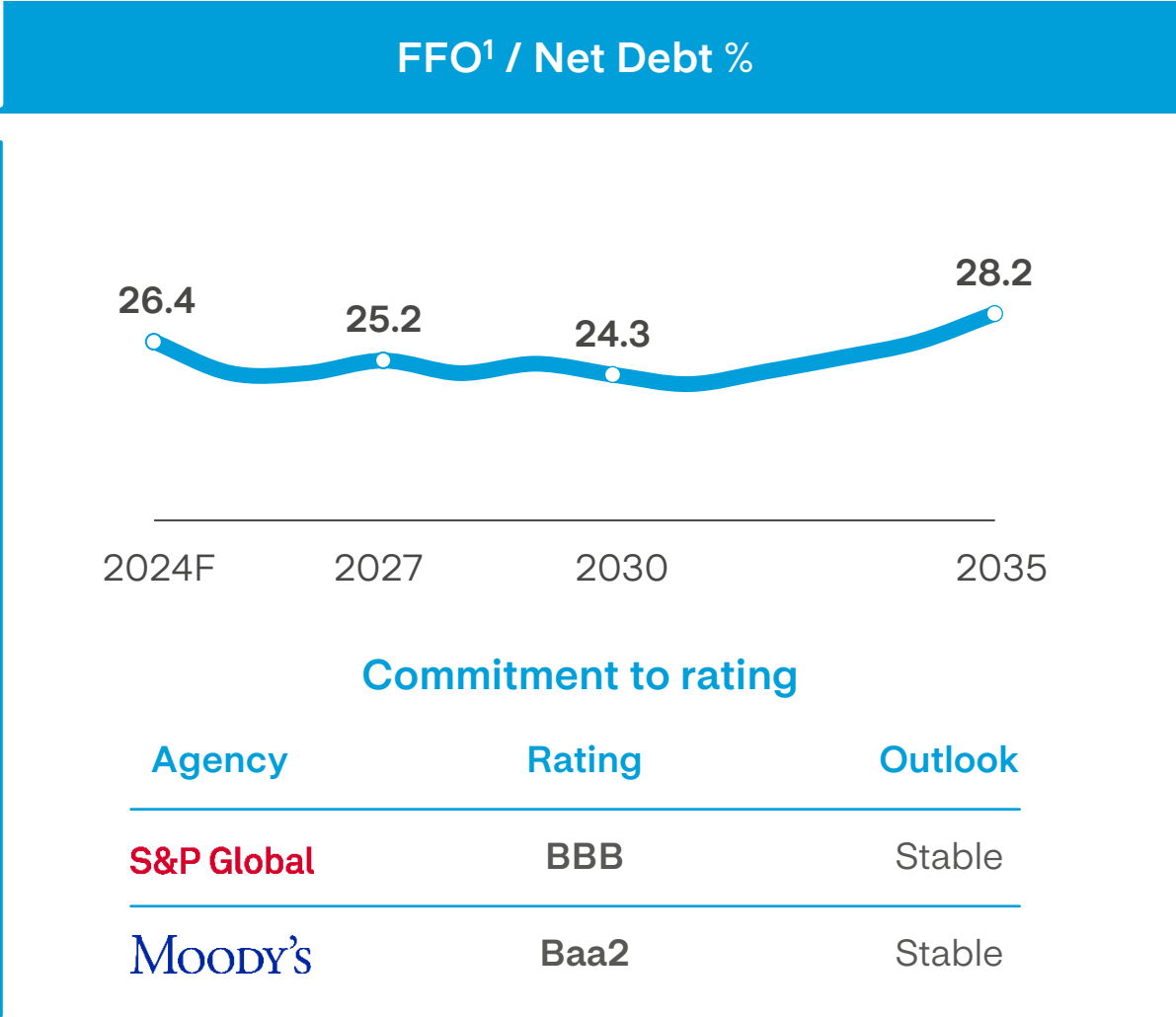
Operating cash flow also supporting **the acquisition**

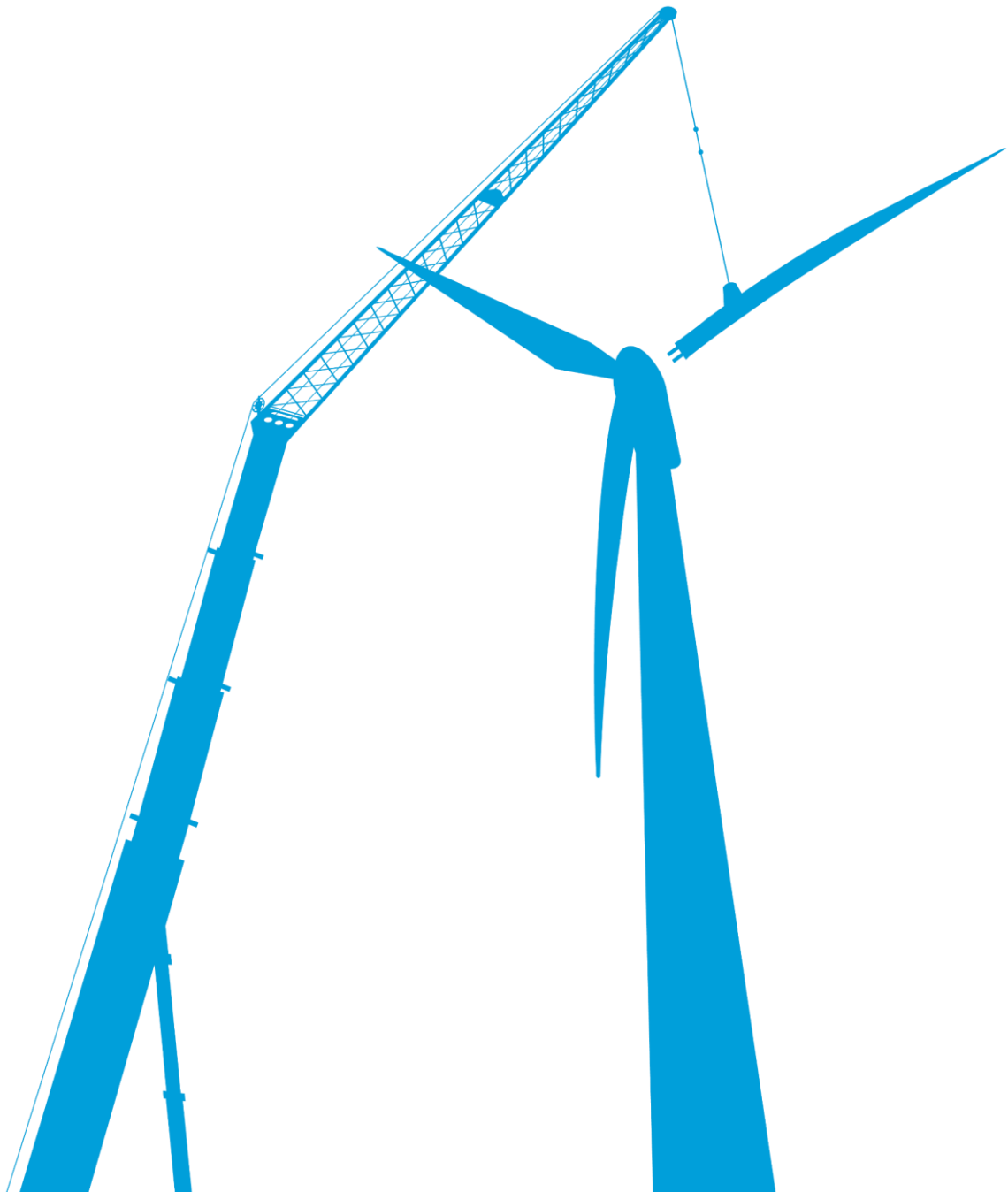
>1.2x

Expected sources on uses ratio at YE2024¹

Commitment to maintain current credit rating

Management of credit metrics
Hybrid bond issuance, accounted 50% equity by the rating agencies and 100% equity by IFRS
Expected extra cash flow generation to support the net financial position
Asset rotation opportunities under consideration to further strengthen the credit metrics





Closing

Scaling our growth through additional opportunities

Projects under review as additional growth opportunities

District heating

Additional development **plants** and **heat recovery projects** for district heating networks (e.g. data centers)

Water cycle

Expansion through **operational partnership** to offer water cycle services **outside the perimeter**

Waste treatment

Increased **waste treatment capacity** through new WtE plants development

Bioenergy

Increased **biomethane production** through conversion and acquisitions of existing plants and greenfield projects

Renewables

More ambitious growth for **RES** also through **partnerships**

Pumped storage

Development of **new pumped storage hydropower** plants

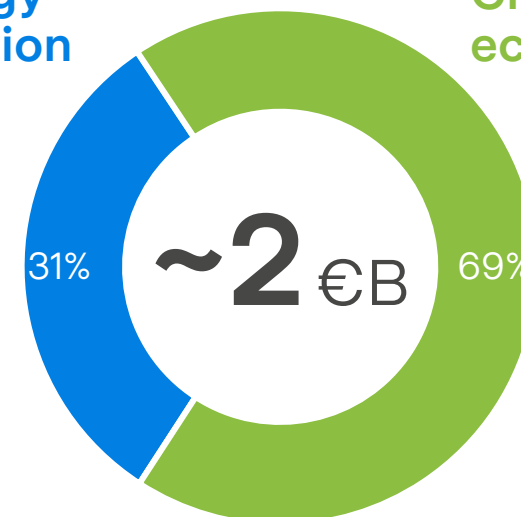
Flexibility

Growth increase in **BESS** and development of flexible capacity with new thermal projects

Upside projects¹ CAPEX

Energy transition

Circular economy



We remain committed to our ESG goals

Environment

We protect the environment

by developing industrial initiatives and projects aimed at **decarbonisation** and **biodiversity** conservation

Action plan for **biodiversity protection** by 2025

Publication of the **Climate Transition Plan** by 2025

Social

We value our people

by promoting **diversity**, **equity**, and **inclusion**, and by investing in their continuous development and **training**

85% of the Group's population in **gender parity-certified** companies

WEEE treatment plant at the **Second House of Detention in Bollate**

Governance

We strengthen our organisation

by committing to **human rights** protection, in line with CSDDD¹

We take care of our people and engage them in **achieving corporate goals**

Group's **Human Rights Policy** update by 2025

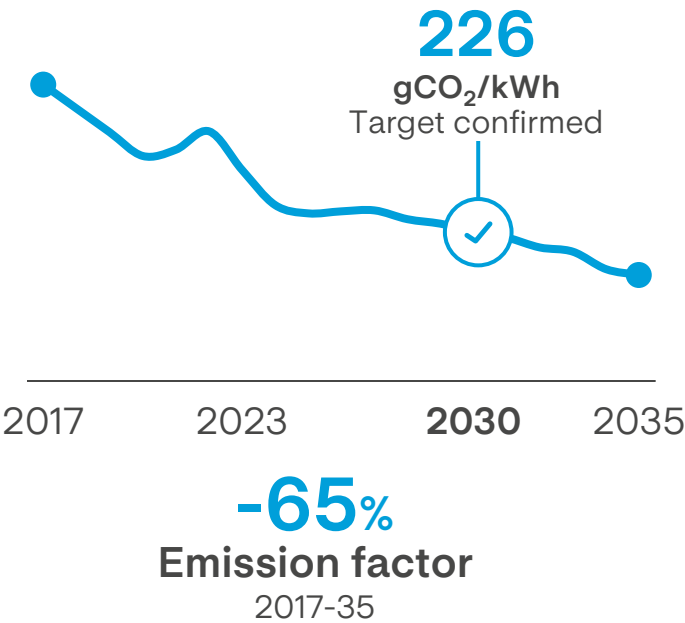
Employees' parenting Plan continues with 10 €M yearly

Launch of **stock ownership plan**² for the Group's employees

Our Strategic Plan contributes to decarbonisation

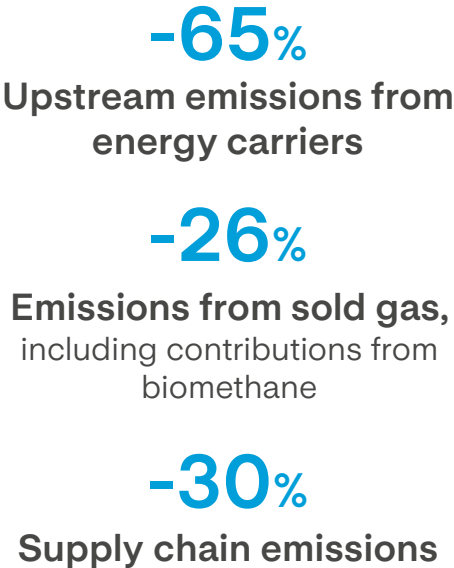
Scope 1 and 2

Emission factor scope 1 and 2 | gCO₂/kWh



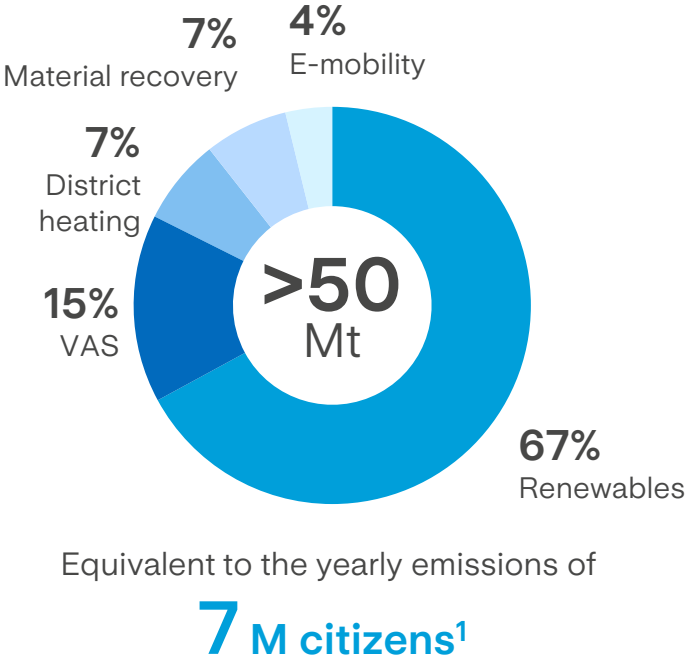
Scope 3

Target 2035 vs 2023



Scope 4

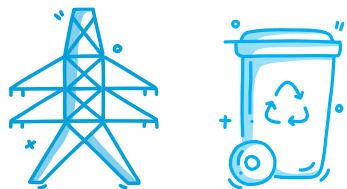
CO₂ emissions avoided 2024-35



We confirm the Group's **emission factor** targets

Promoting **urban sustainability**

We continue our journey towards a competitive ecological transition



3_x

**Electricity
network RAB**
2035 vs 2024

2_x

**Waste transformed
into End of Waste**
2035 vs 2024



22 €B

CAPEX
2024-35

3.3 €B

EBITDA
@2035



100%

ESG debt
@2035

≤2.7_x

NFP/EBITDA
2024-35



75%

EU taxonomy
average eligible
CAPEX 2024-35

70%

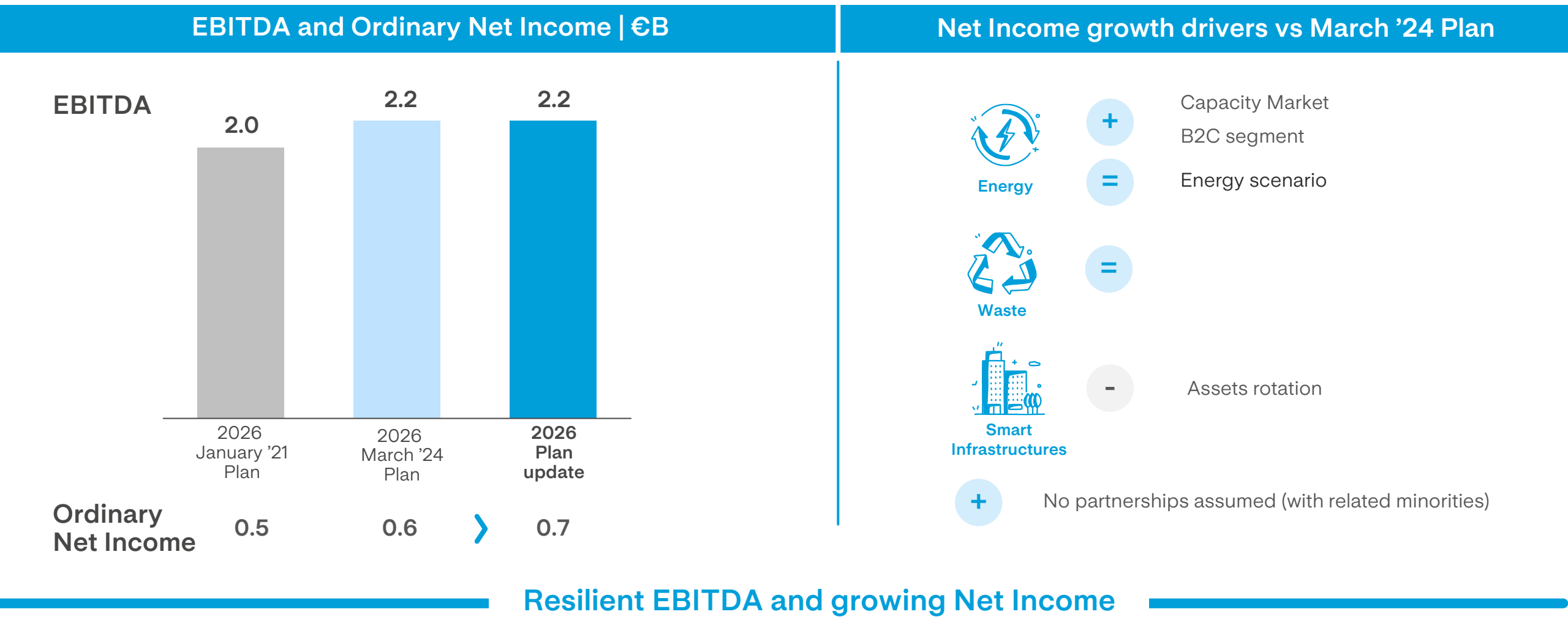
Development CAPEX
by 2030 already in
progress



ANNEXES



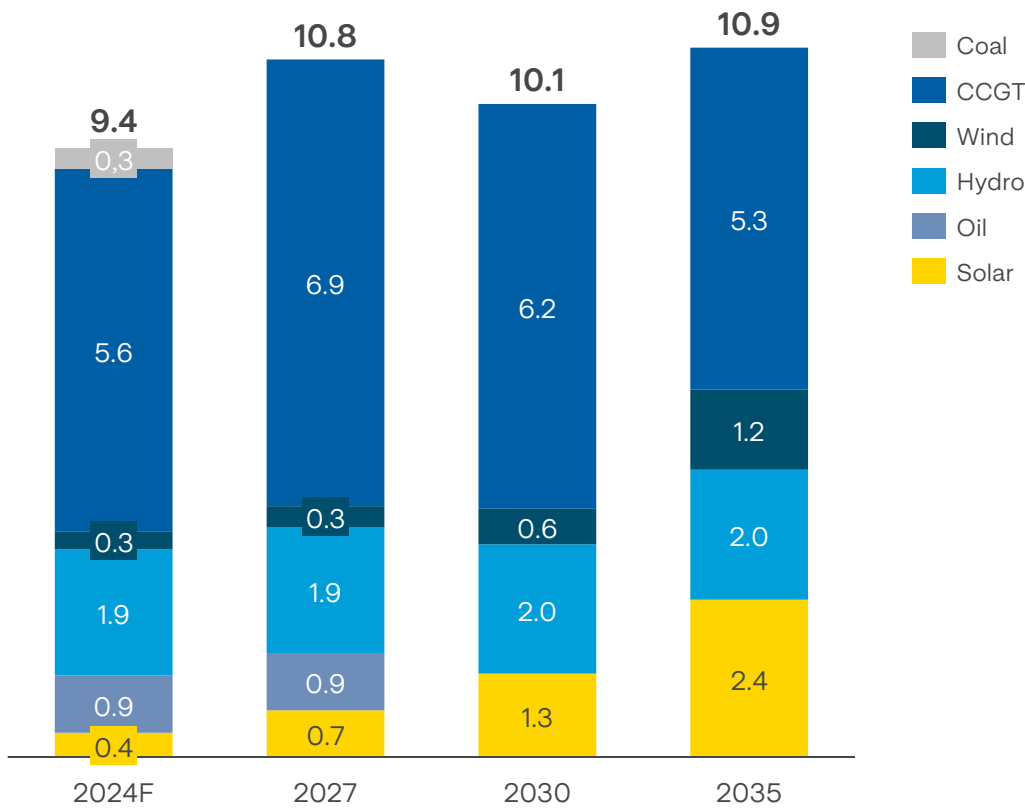
2026: COMPARISON BETWEEN TARGETS ON EBITDA AND NET INCOME



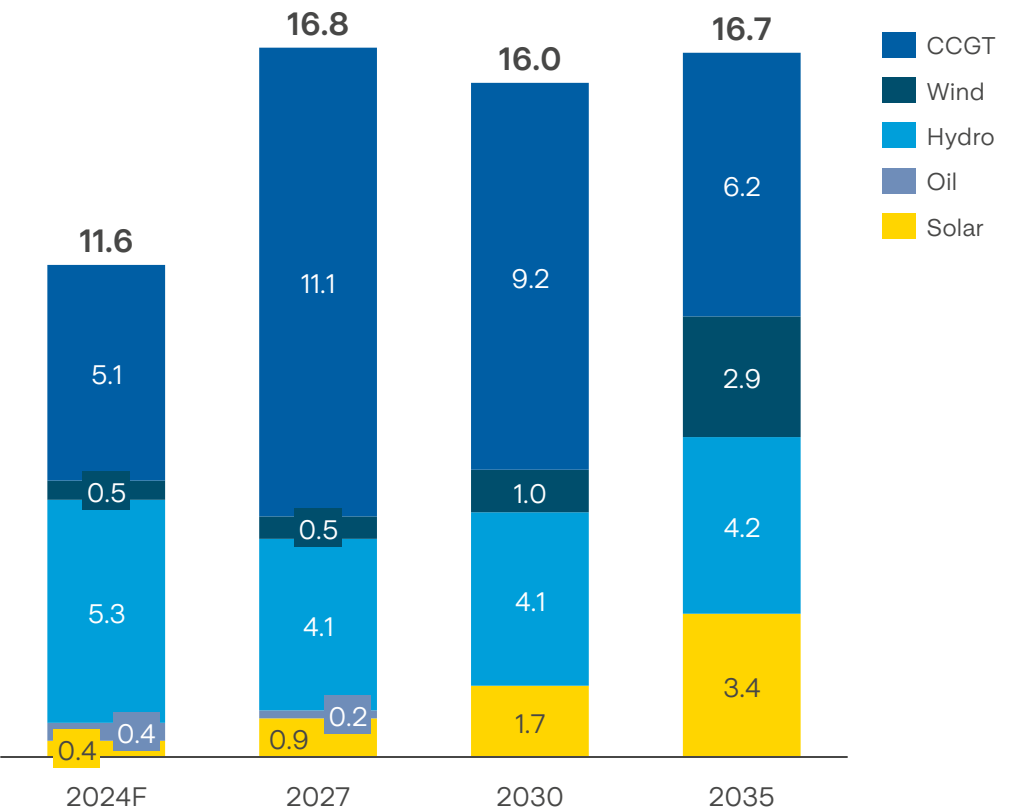
BACKUP BUSINESS UNIT ENERGY

BREAKDOWN INSTALLED CAPACITY AND PRODUCTION

Net capacity evolution | GW



Net production evolution | TWh

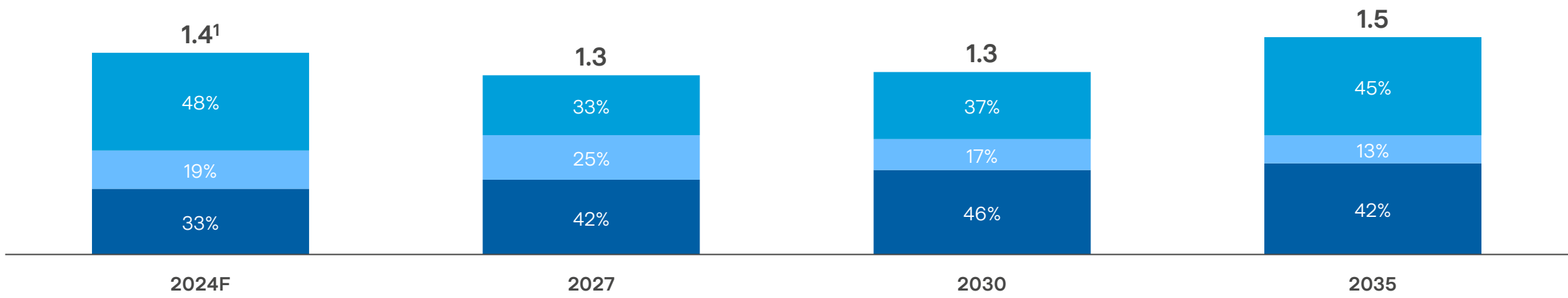


RES 2.6 3.0 3.8 5.7

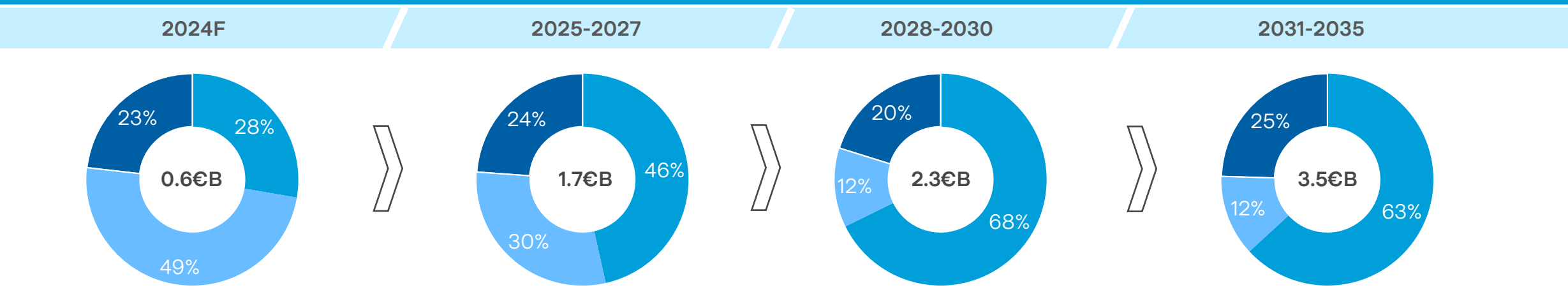
BACKUP BUSINESS UNIT ENERGY

CAPEX AND EBITDA EVOLUTION

EBITDA | €B



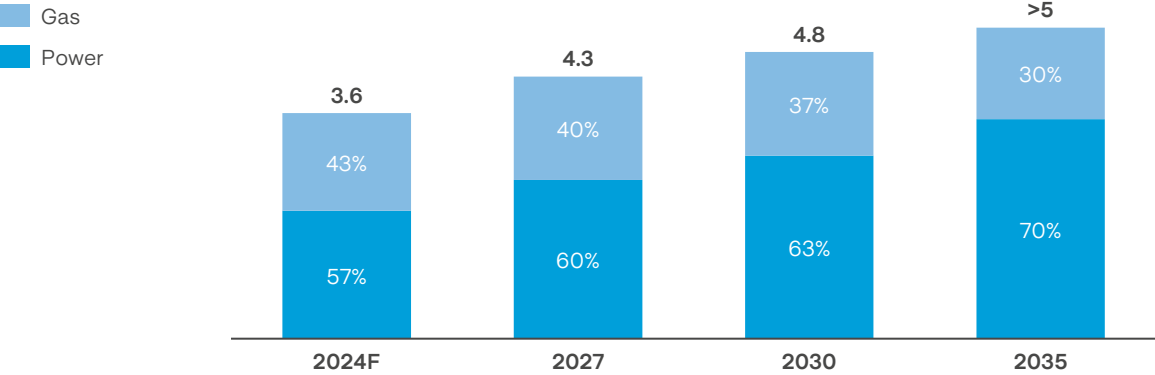
CAPEX | €B



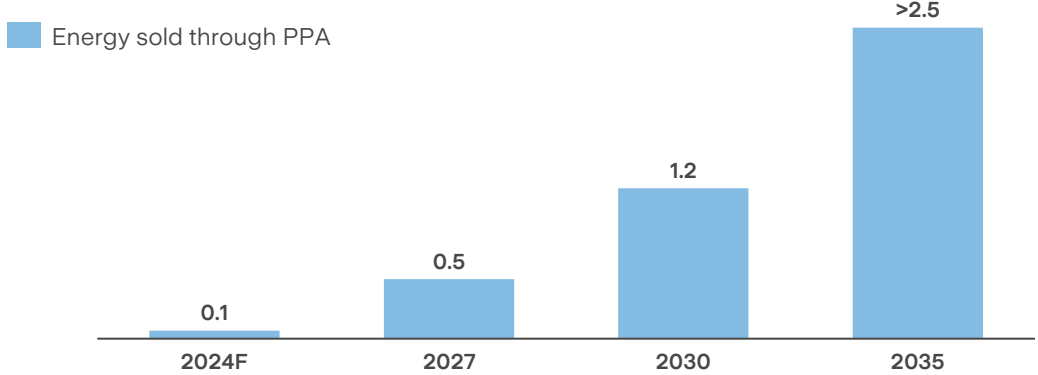
BACKUP BUSINESS UNIT ENERGY

FOCUS ON CUSTOMERS

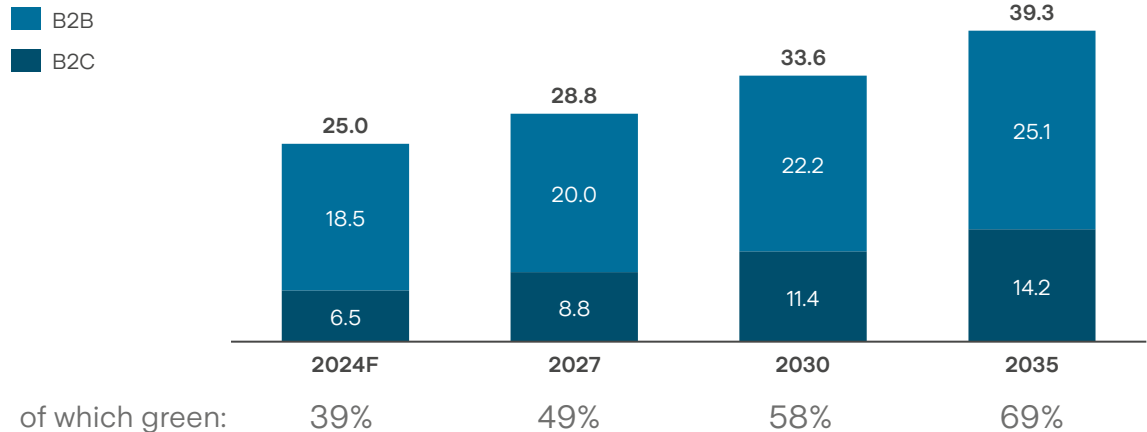
Customer base (Power and Gas) | M



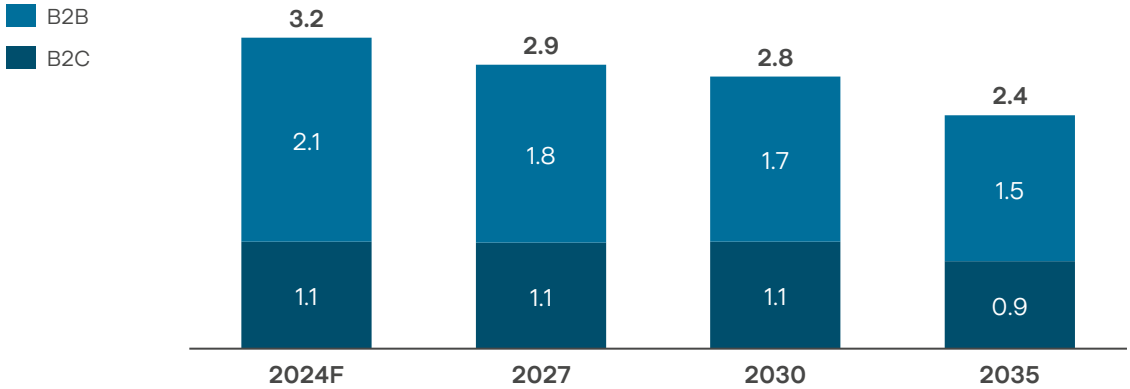
Electricity sold through Mass Market PPA (TWh)



Power volumes sold | TWh



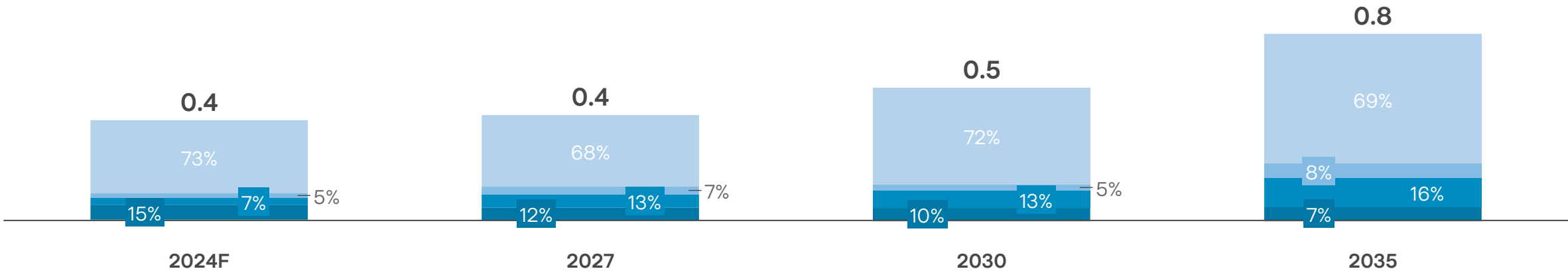
Gas volumes sold | Bm³



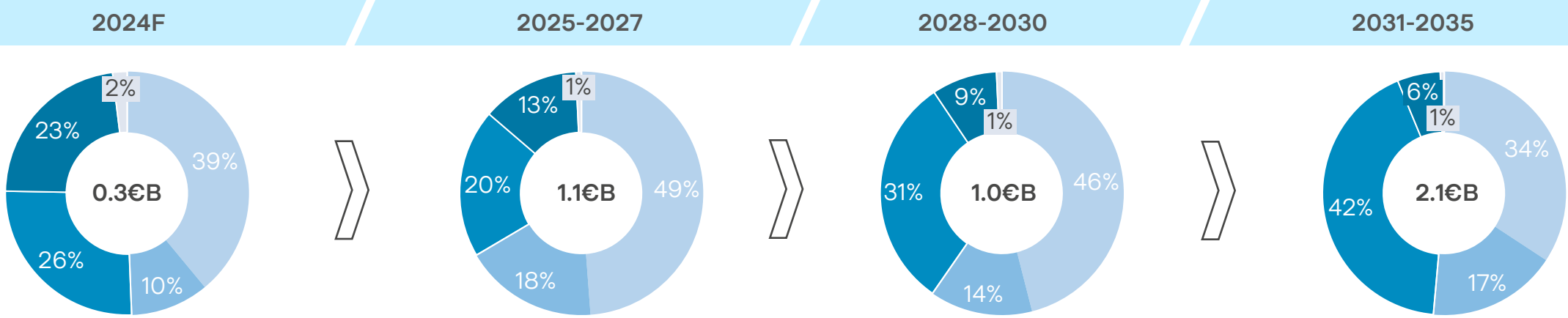
BACKUP BUSINESS UNIT WASTE

CAPEX AND EBITDA EVOLUTION

EBITDA | €B

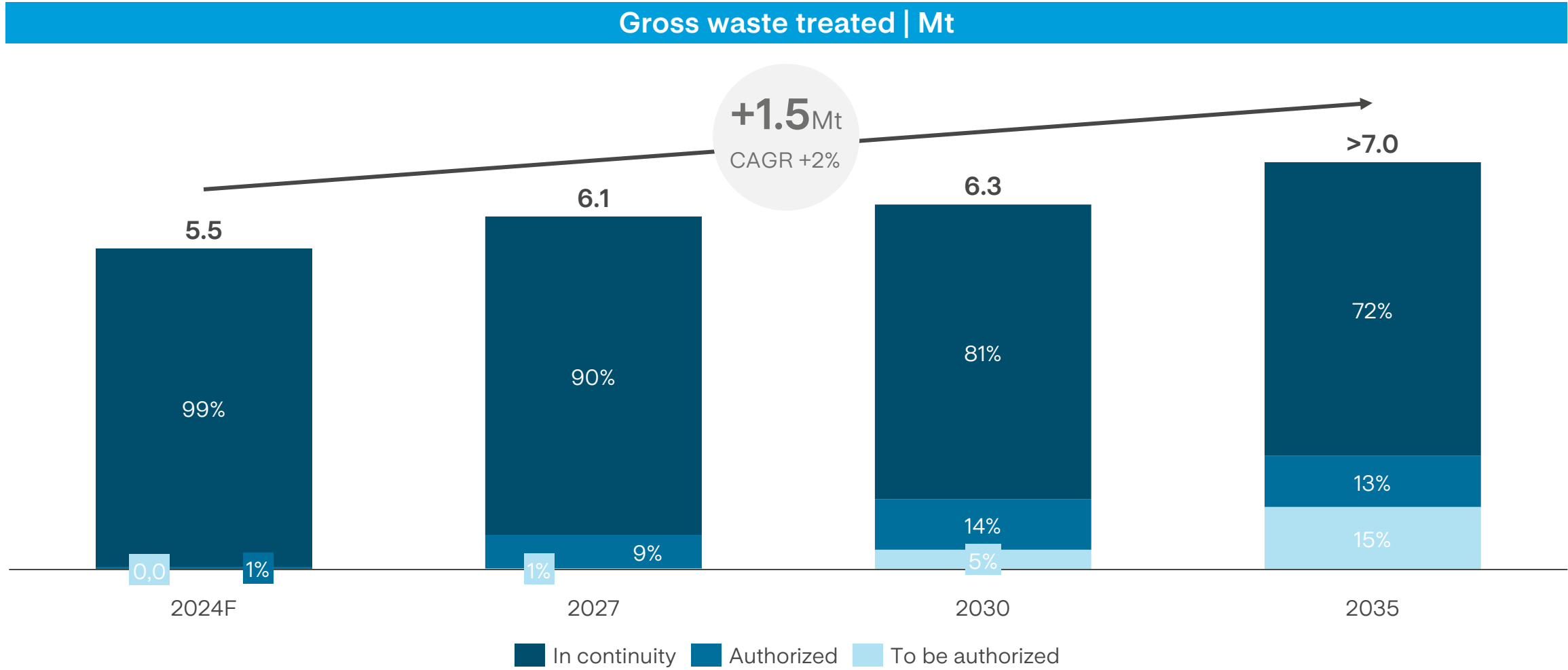


CAPEX | €B



BACKUP BUSINESS UNIT WASTE

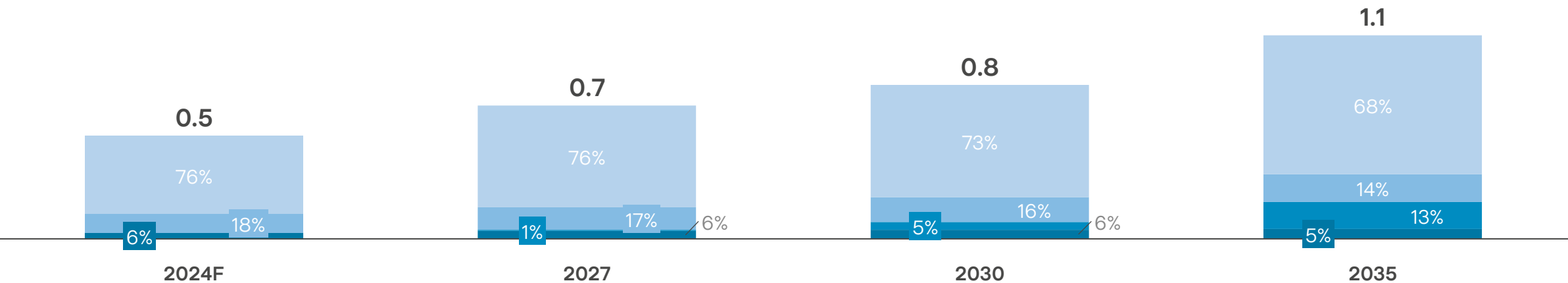
WASTE TREATED EVOLUTION



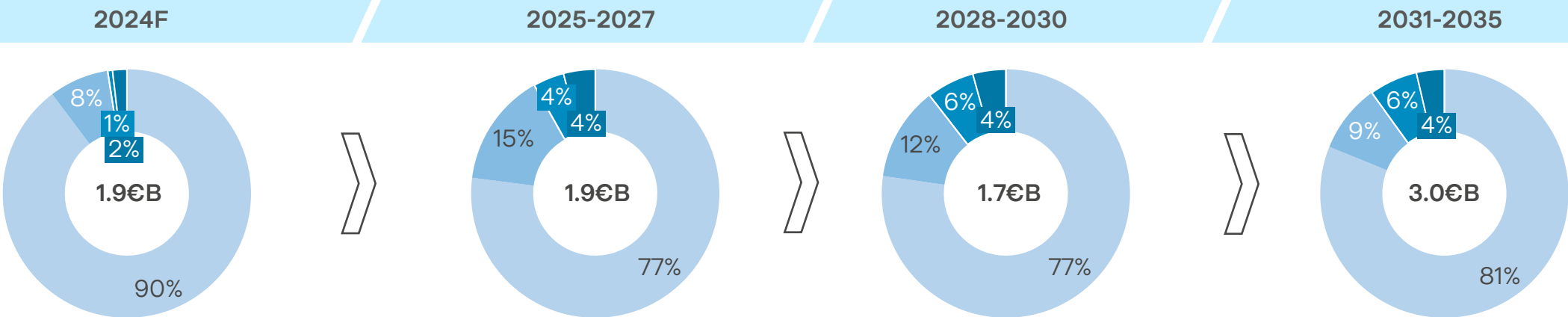
BACKUP BUSINESS UNIT SMART INFRASTRUCTURES

CAPEX AND EBITDA EVOLUTION

EBITDA | €B



CAPEX ¹ | €B

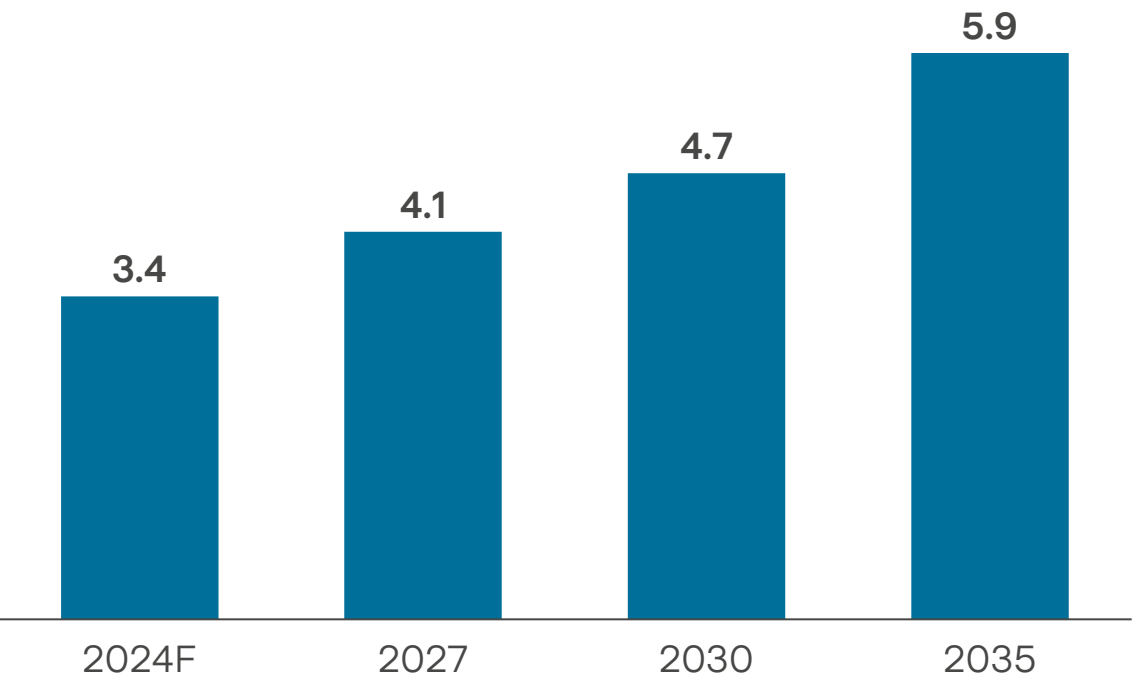


■ Distribution networks ■ Heat ■ E-mobility ■ Other

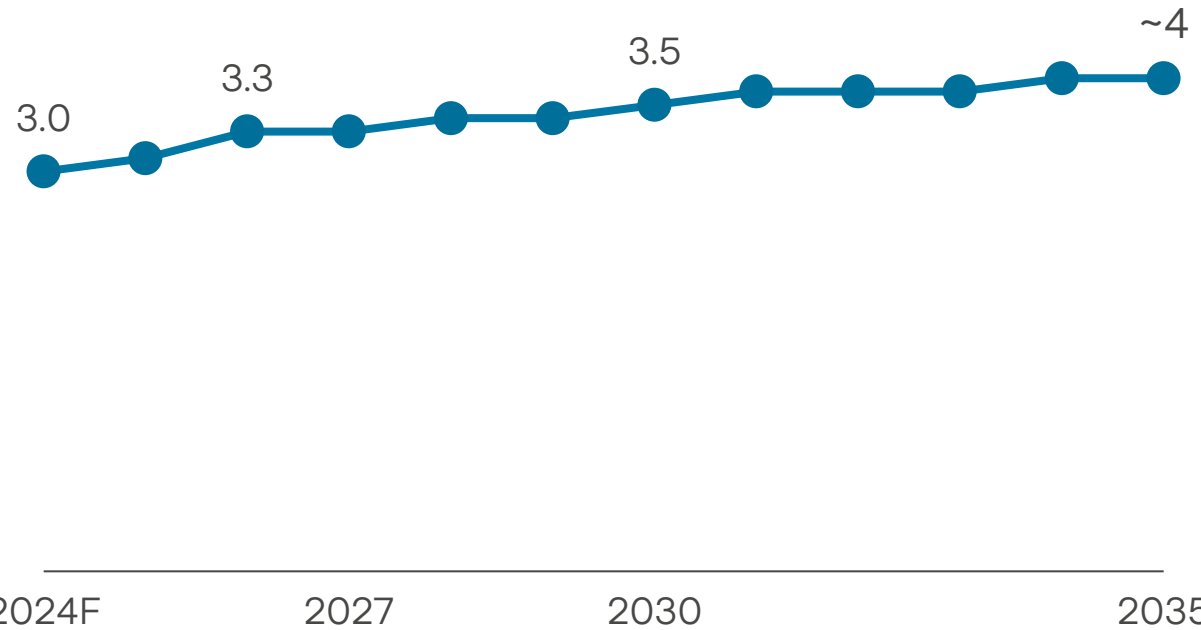
BACKUP BUSINESS UNIT SMART INFRASTRUCTURES

FOCUS ON MAIN KPIs

Networks RAB¹ | €B



District heating volumes | TWh_t



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<https://www.gruppoa2a.it/en/investors>



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