# A2A, RESULTS AS AT 31 DECEMBER 2024

## TOTAL CAPEX OF 2,941 MILLION EURO FOR THE DEVELOPMENT OF STRATEGIC INFRASTRUCTURES TO SUPPORT ECOLOGICAL TRANSITION

## 1,636 NEW HIRES, WITH A NET GROWTH OF 819 UNITS

## INCREASE IN RETAIL CUSTOMERS IN THE FREE-MARKET ELECTRICITY SEGMENT: + 18%

## REVENUES DOWN 13% DUE TO COMMODITY PRICES DROP

## ROBUST GROWTH IN EBITDA +18% AND NET ORDINARY INCOME +29%

## PROPOSED TOTAL DIVIDEND OF 0.10 EURO PER SHARE, INCREASING BY 4.4%

## SUSTAINABLE FINANCIAL INSTRUMENTS REPRESENT 78% OF TOTAL DEBT

- **Total capex of 2,941 million euro**, of which 1,512 million euro for organic capex (+10% compared with the previous year) and 1,429 million euro for M&A transactions, mainly attributable to the acquisition by e-distribuzione of 90% of the share capital of Duereti S.r.l..

- **1,636 new resources hired**, with a net growth of **819 units.**

- **Revenues of 12,857 million euro:** -13% compared to 2023 mainly due to the contraction in energy commodity prices with an average annual PUN of 108.4 €/MWh (down 14.9%) and the average cost of gas at PSV at 36.3 €/MWh (down 14.3%).

- **EBITDA of 2,328 million euro:** +18% compared to 2023 (1,971 million euro).

- **Ordinary Net Income at 816 million euro:** +29% compared to 2023 (635 million euro).

- **A dividend of 0.10 euro per share** was **proposed to the shareholders' meeting, up 4.4%** compared to the dividend distributed last year (0.0958 euro per share).

- **Net Financial Position at 5,835 million euro** (4,683 million euro at 31 December 2023). The NFP/EBITDA ratio was 2.5x.

- **78% sustainable debt** on the Group's total gross debt (70% as at 31 December 2023), 81% including the hybrid bond issue.

### Ecological transition

- 6.9TWh of energy from renewable sources[1], equal to about 50% of production.

- The acquisition from e-distribuzione of 90% of the share capital of Duereti S.r.l. ("Duereti"), a corporate vehicle benefiting from the contribution by e-distribuzione of electricity distribution activities in some municipalities located in the provinces of Milan and Brescia, has been completed. The Group increases the number of electricity meters managed by 70%, with a network that grows by 17 thousand km.

- A preliminary agreement has been signed for the acquisition by Ascopiave of 100% of the shares of a corporate vehicle that will be the owner at the closing of a business unit including approximately 490 thousand gas distribution pdr relating to ATEMs in the Provinces of Brescia, Cremona, Bergamo, Pavia and Lodi, currently held by Unareti and LD Reti.

- 9 lots were awarded in the CONSIP tender for the supply of electricity to public bodies in 12 Italian regions, for a potential total volume of over 7.8 TWh/year.

- A new photovoltaic plant has been started up in Mazara del Vallo, Sicily, with an installed capacity of 12.6 MW, which will produce around 25 GWh of electricity in 2025, corresponding to the consumption of 8,300 households, reducing CO2 emissions by 10,000 tonnes.

- 40 million euro have been allocated to the 360 LIFE II climate tech fund, managed by 360 Capital: with this transaction, the Group, as an industrial anchor investor, expands the capex program for new technologies focused on the circular economy and energy transition.

- In the capacity market auction called by Terna for the 2026 delivery year, the A2A Group's existing capacity portfolio was awarded for a total of approximately 4.4 GW, with a technological mix that includes gas and renewable source plants, to support the energy transition. The Group was also awarded annual contracts for 520 MW of foreign capacity. The outcome of this auction is in line with what was assumed in the update of the 2024-2035 Strategic Plan.

- A sale and purchase agreement has been signed with Edison for 100% of a newly established company to which the branch relating to the Sesto San Giovanni cogeneration plant will be transferred in 2025. The plant has an installed capacity of about 110 MW and the heat produced is currently used to feed the district heating network serving the municipalities of Sesto San Giovanni, Cinisello Balsamo and Milan (Bicocca area).

### Sustainability

- The carbon dioxide emission factor (Scope 1 + Scope 2) is 258 gCO2/kWh and a 17% decrease compared to the 2023 value.

- The installed capacity of the electricity grid was 5,155 MVA, up 3% compared to the 2023 value.

- The capex eligible for the purposes of the European Taxonomy are 72% (55% capex aligned).

**The Group's commitment to sustainable finance continues**: in 2024, the Group placed the first subordinated perpetual hybrid bond issue in green format and signed a couple of loans in green format, including the 600 million euro bridge loan in pool to finance the acquisition of the electricity grid assets. In January 2025, A2A placed its inaugural European Green Bond of 500 million euro with a tenor of 10 years, the first on the market by a European corporate issuer, in accordance with EU Regulation 2023/2631.

[1] Specifically , hydroelectric, wind, photovoltaic, biogas and biogenic share of waste-to-energy plants

*The Board of Directors of A2A S.p.A. has examined and approved the Annual Financial Report as at 31 December 2024*

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**Milan, 20 March 2025** - The Board of Directors of A2A S.p.A. met today and, under the chairmanship of Roberto Tasca, examined and approved the Annual Financial Report as at 31 December 2024.

*"The results approved today consolidate A2A's role in the industrial and infrastructure sector of our country. In 2024, we invested almost 3 billion euro, an all-time record for our Group. In the last year, generation from renewable sources accounted for about 50% of our total production, up compared to 2023: we have therefore been able to offer more green energy to the market, an important factor for the decarbonisation process and the stabilisation of prices for the benefit of households and businesses,"* comments **Renato Mazzoncini, CEO of A2A** *"The activities we have carried out have allowed us to achieve an EBITDA of more than 2.3 billion and a net profit of more than 800 million. This allows us to propose a dividend of 0.10 euro per share to the next Shareholders' meeting, up 4.4%. The Group has also created new employment opportunities with over 1,600 new employees who, with their professionalism, have contributed to the achievement of these excellent performances. The desire to share and involve all colleagues, an active part of this growth path, is also reflected in the Shareholding Plan that we will propose to the next Shareholders' Meeting"*

The A2A Group's 2024 results confirm a growth in operating margins, driven by the increase in energy production from renewable sources as a result of high hydraulicity and the positive contribution of the energy retail sector. It should also be noted that the financial ratios remained solid, with a NFP/EBITDA ratio of 2.5x, a slight increase compared to the previous year (equal to 2.4x), despite the significant acquisition of the electricity distribution network from e-distribuzione, without the contribution of the related share of EBITDA for 2024.

The 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 overall - albeit tending to rise in the last part of the year - with an average annual PUN of 108.4 €/MWh (down 14.9%) and the average cost of gas at the PSV at 36.3 €/MWh (in decrease of 14.3%).

The main economic indicators are as follows:

| Million euro | 2024 | 2023 | Δ | Δ% |
|---|---|---|---|---|
| Revenues | **12,857** | **14,758** | -1,901 | -12.9% |
| Gross Operating Margin - EBITDA | **2,328** | **1,971** | 357 | 18.1% |
| Net Operating Profit – EBIT | **1,317** | **1,017** | 300 | 29.5% |
| Net Income | **864** | **659** | 205 | 31.1% |
| Ordinary Net Income | **816** | **635** | 181 | 28.5% |

In 2024, Group **revenues** amounted to **12,857 million euro,** down 13% compared to the previous year (14,758 million euro). The change is attributable to the drop in energy prices, both wholesale and retail, and to a very limited extent to the contraction in the quantities sold and intermediated on the wholesale markets, more than offset by the higher volumes sold on the retail electricity and gas markets.

In line with the trend in revenues and the related dynamics related to the commodities market, **operating costs** amounted to **9,637 million euro, a** 20% decrease compared to the previous year.
**Personnel costs, amounting to 892 million euro,** increased by **77 million euro** (+9%). The 40% change is linked to the higher number of FTEs (Full-Time Equivalents) in 2024 compared to the previous year (+4%) following the hires made, 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 mobility costs and welfare projects).

**EBITDA amounted to 2,328 million euro,** up 18%, **+357 million euro** compared to 2023 (1,971 million euro).
Net of non-recurring items (11 million euro in 2024, 41 million euro in 2023), **Ordinary EBITDA amounted to 2,317 million euro,** up +20%, +387 million euro, compared to the previous year (1,930 million euro) thanks to the contribution of all the Business Units.

**Net Operating Profit** stood at **1,317 million euro**, up 29%, +300 million euro compared to 2023 (1,017 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 due to new capex, and write-downs and the decrease in provisions net of releases relating in particular to tax disputes.

**Net Financial Expenses**, excluding extraordinary items, amounted to 122 million euro, down from 139 million euro in 2023, mainly due expiring bonds and loans.

**Taxes**, excluding extraordinary items, amounted to 352 million euro with a tax rate of 29%, up 131 million euro compared to 2023 due to the increase in the tax base.

In addition, there was an increase in minority interests (28 million euro compared to 24 million euro in the previous year), as a result of the better performance of the AEB and Acinque groups.

As a result of the above dynamics, **Net Ordinary Income attributable to the Group** amounted to **816 million euro**, up 29% compared to 2023 (635 million euro as at 31 December 2023).

**Net Income attributable to the Group** amounted to **864 million** euro, up 205 million euro compared to the previous year (659 million euro). Extraordinary items concerned:

- 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 recorded in A2A Ambiente, following the mergers of the companies A2A Recycling, Electrometal and Tecnoa.

- the previous year for 24 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.

**Total capex** made in 2024 amounted to **2,941 million euro,** of which **1,512 million euro** was allocated to **organic capex** (+**10%** compared to the previous year) and **1,429 million euro** relating to **M&A transactions.** Especially:

- more than 60% of organic **capex** concerned development interventions mainly aimed at modernising the electricity distribution networks necessary to support the progressive electrification of consumption, the development of photovoltaic plants, ensuring flexibility and coverage of energy demand peaks, material and energy recovery and the digitalisation of the Group;

- **M&A transactions,** net of disposals, amounted to **1,429 million euro**, mainly attributable to the acquisition from e-distribuzione of 90% of the share capital of Duereti S.r.l., a special purpose vehicle that benefited from the transfer of distribution assets in the province of Milan and, in the Brescia area, of Valtrompia, for a total of over 17,000 km, approximately 800,000 PODs and about 9,500 cabins.

**Net Financial Position at 31 December 2024 was 5,835 million euro** (4,683 million euro at 31 December 2023). Excluding the impact of the changes in the scope of consolidation of 1,429 million euro during the year under review and the issuance of the Hybrid Bond for -742 million euro, the NFP stood at 5,148 million euro, an increase of 465 million euro compared to 31 December 2023. The growth compared to 2023 is mainly due to commodity sourcing activity and upward trend in electricity and gas prices during the last quarter.

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## A2A Group - Results by Business Unit

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

| *Million euro* | **12.31.2024** | **12.31.2023** | Δ | Δ% |
|---|---|---|---|---|
| Generation & Trading | 986 | 829 | 157 | 18.9% |
| Market | 462 | 299 | 163 | 54.5% |
| Waste | 409 | 375 | 34 | 9.1% |
| Smart Infrastructures | 552 | 534 | 18 | 3.4% |
| Corporate | -81 | -66 | -15 | *n.s.* |
| **Total** | **2,328** | **1,971** | **357** | 18.1% |

### Generation & Trading Business Unit

Revenues in 2024 amounted to 8,519 million euro, a decrease of 2,401 million euro (-22.0%) compared to the previous year due to both lower volumes sold and intermediated and lower unit prices.

EBITDA of the Generation and Trading Business Unit amounted to 986 million euro, an increase of 157 million euro compared to 2023 (+18.9%). Net of the non-recurring items recorded in the two comparative periods (13 million euro in 2024, 37 million euro in 2023), Ordinary EBITDA increased by 181 million euro.

The positive change is mainly attributable to the contribution of renewable source plants to:

- higher volumes produced as a result of the high hydraulicity in 2024 compared to the low rainfall recorded in the previous year: the increase in margins linked to higher hydroelectric quantities was particularly significant in the first half of the year, then attenuating in the second. In fact, 2023 was penalized by drought in the first part of the year, benefiting only in the last quarter from greater rainfall;
- 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 year mitigated the negative effects deriving from the decrease in energy commodities, although they tended to grow in the last part of the year.

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, although increasing in the last quarter of the year, and ancillary services markets (MSD), both due to lower requests from Terna and a lower valuation of the quantities offered.

Organic capex amounted to 370 million euro during the year (332 million euro in 2023).
Development interventions were carried out for a total of 275 million euro, of which over 85 million euro relating to photovoltaic and wind power plants aimed at accelerating the growth of generation from renewable sources and 168 million euro for interventions on CCGT plants (new CCGT in Monfalcone and endothermic engines at the Cassano power plant) aimed at ensuring flexibility, coverage of peak demand and balancing of the energy needs of the grid.
Over 85 million euro concerned extraordinary maintenance activities, of which approximately 54 million euro for thermoelectric plants, 23 million euro for the Group's hydroelectric plants, 1 million euro for photovoltaic assets and 7 million euro for interventions on buildings and information systems. Finally, interventions were carried out for about 10 million euro for adjustments to standards.

**Market Business Unit**

Revenues amounted to 6,670 million euro (7,140 million euro at 31 December 2023). The decrease recorded is mainly attributable to the decrease in unit prices for both electricity and gas, partly offset by the growth in quantities sold.

EBITDA of the Market Business Unit stood at 462 million euro, up 163 million euro compared to the previous year (299 million euro at 31 December 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 -18 million euro in 2023), Ordinary EBITDA increased by 144 million euro.

The increase in the margin is attributable to:

- the increase in the customer base of the electricity mass market segment;
- growth in volumes sold to the segment of large electricity and gas customers;
- the positive dynamics of unit margins.

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.

Organic capex in 2024 amounted to 115 million euro (92 million euro in 2023) and concerned:

- the energy retail segment with 109 million euro for capitalised charges for the acquisition of new customers and for evolutionary maintenance and development of the Hardware and Software platforms aimed at supporting the billing and customer management activities of the Group's sales companies;
- the Energy Solutions sector with 6 million euro for energy efficiency projects.

**Waste Business Unit**

In 2024, revenues from the Waste Business Unit amounted to 1,540 million euro (1,458 million euro at 31 December 2023): the change is attributable to the increase in revenues from disposal, material recovery activities (paper sales), higher revenues from electricity, higher fees from the Collection segment and non-recurring items.

EBITDA of the Waste Business Unit amounted to 409 million euro (375 million euro as at 31 December 2023), an increase of 34 million euro compared to the previous year.
Net of the non-recurring items recorded (13 million euro in 2024, 3 million euro in 2023), Ordinary EBITDA stood at 396 million euro (372 million euro at 31 December 2023).
This result was determined by:

- +27 million euro relating to Waste Treatment Plants, mainly due to higher margins linked to the growth in volumes disposed of and in related prices, as well as to the contribution of the quantities of electricity and heat produced by waste-to-energy plants (in particular Parona WTE) and to the higher production of the Sant'Agata di Puglia biomass plant, partly offset by higher operating costs;
- -3 million euro relating to the Collection segment: the result is attributable on the one hand to higher fees mainly for the newly acquired municipalities and on the other hand to the increase in personnel costs - both for contractual and salary increases and following the award of new tenders - and other operating costs.

Organic Capex in 2024 amounted to 256 million euro (214 million euro in 2023) and concerned:

- development interventions for 104 million euro, of which 57 million euro relating to waste-to-energy plants, 5 million euro to OFMSW plants, 21 million euro to those intended for material recovery, 18 million euro to other treatment plants and 3 million euro to the collection sector.
- maintenance interventions for 152 million euro, relating to waste-to-energy plants (66 million euro), waste treatment plants (27 million euro) and the collection sector (59 million euro).

**Business Unit Smart Infrastructures**

In 2024, the revenues of the Smart Infrastructures Business Unit stood at 1,492 million euro (1,552 million euro at 31 December 2023). The change is linked to lower revenues relating to the district heating sector attributable to the fall in unit prices and the contraction in activities functional to obtaining energy savings (Superbonus), partially offset by higher revenues allowed for regulatory purposes and higher revenues from the sale of white certificates.

The EBITDA of the Smart Infrastructures Business Unit in 2024 was 552 million euro (534 million euro at 31 December 2023).
Net of non-recurring items (-3 million euro in 2024, +19 million in the previous year), the Business Unit's Ordinary EBITDA amounted to 555 million euro, up 40 million euro compared to 2023.

The changing in margins was mainly determined by:

- + 38 million euro relating to the electricity and gas distribution networks for the increase in revenues allowed for regulatory purposes following the WACC update by ARERA (Regulatory Authority for Energy, Networks and Waste) for the year 2024, partly offset by higher operating costs and lower connection fees;
- +11 million euro relating 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 linked to the decrease in the prices of electricity sold, the presence in 2023 of the benefits provided for by the Aid decrees regarding tax credits for non-energy-intensive and non-gas-intensive companies and the lower margins related to the Superbonus activity. These negative effects were only partially offset by the higher volumes of district heating sold and by the revenues from the sale of white certificates recognised for the cogeneration plants of Tecnocity, Canavese and A2A Airport;

- +3 million euro relating to Public Lighting due to the contribution of margins of the new municipalities and lower operating costs;
- +2 million euro relating to Smart City due to higher revenues (launch of the Minnovo project and projects for the Municipality of Monza) and lower operating costs;
- +1 million euro related to E-Moving due to higher volumes of electricity supplied.

Organic Capex in 2024 amounted to 660 million euro (631 million euro in 2023) and concerned:
- the electricity distribution sector amounted to 274 million euro: for the connection of new users, interventions on primary plants and secondary substations, the expansion of remote control, the refurbishment of the medium and low voltage network;
- for 141 million euro the gas distribution sector: for the connection of new users and the replacement of medium and low pressure pipes;
- for 93 million euro the integrated water cycle sector: for maintenance and development of the water transport and distribution network as well as interventions and renovations of sewerage networks and water treatment plants;
- for 111 million euro the district heating and heat management sector;
- for 12 million euro the Public Lighting sector for new projects;
- for 11 million euro the E-Mobility sector for the installation of new charging stations;
- for 18 million euro the Smart City sector, mainly for fiber optic, radio frequency and data center laying.

Signed with Edison a purchase agreement for 100% of a newly established company in which the branch related to the cogeneration plant in Sesto San Giovanni will be transferred during 2025. The plant has an installed capacity of approximately 110 MW and the heat produced is currently used to supply the district heating network serving the municipalities of Sesto San Giovanni, Cinisello Balsamo, and Milan (Bicocca area).

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## A2A Group - Balance Sheet and Financial Results

"**Net fixed asset**" amounted to 11,330 million euro, an increase of 1,763 million euro compared to 31 December 2023.

The main changes are related to:
- total capex of 1,512 million euro, of which 1,051 million euro in tangible assets and 461 million euro in intangible assets;
- contribution from the first-time consolidation on tangible assets for 414 million euro and on intangible assets for 948 million euro;
- net decrease of 447 million euro due to other changes mainly due to the reclassification to assets held for sale, disposals and write-downs in the year;
- ordinary depreciation and amortization in the year of 884 million euro;
- increase in Shareholdings and other non-current financial assets of 17 million euro, mainly attributable to capex made in innovative start-ups through Corporate Venture Capital projects and advances paid on shareholdings for future projects for the development of plants for the production of electricity from renewable sources;
- net increase in Other non-current assets and liabilities of 121 million euro, mainly due to the decrease in security deposits from customers;
- net increase in deferred tax assets of 85 million euro, of which 15 million euro do to the effects of the first-time consolidation. This increase is mainly attributable to the tax exemption carried out by the subsidiary A2A Ambiente to recognize and to realign for tax purposes the higher tax values arising from the Purchase Price Allocation (PPA) process, deriving from the allocation of the cancellation deficit and recognized in the financial statements as goodwill and customer lists

(including intangible assets). The tax exemption led to the recognition of substitute tax for 49 million euro, the allocation of deferred tax assets relating to off-balance-sheet deductions of the higher revalued 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 statutory depreciation booked to the income statement;

- increase in Provisions for risks, charges and liabilities for landfills for 26 million euro;
- decrease in provisions for employee benefits for 23 million euro.

"**Net Working Capital and Other Current Assets and Liabilities**" were positive and amounted to 114 million euro, up 196 million euro compared to 31 December 2023.

The main changes are related to:

- decrease in trade payables of 423 million euro, mainly attributable to the decrease in commodities trading transactions with bilateral counterparties;
- increase in trade receivables of 103 million euro, mainly attributable to the operation of the trading portfolio for transactions relating to CO2 and the increase in receivables from Terna for the reintegration of the costs of essential units;
- net decrease of 3 million euro in inventories;
- decrease in security deposits of 336 million euro;
- net increase in assets relating to the Fair Value of commodity derivatives of 126 million euro;
- net increase in payables to the Treasury for duties and VAT of 41 million euro;
- increase in payables to personnel of 25 million euro;
- net increase in current tax liabilities of 46 million euro;
- other decrease in current assets by 5 million euro.

**"Assets/liabilities held for sale"** were positive and amounted to 394 million euro (they had no value at 31 December 2023) and refer to the reclassification according to IFRS5 of the value of assets and receivables relating to certain ATEMs relating to gas distribution acquired by Ascopiave following the preliminary purchase agreement signed on 19 December 2024.

Consolidated **"Capital Employed"** as at 31 December 2024 amounted to 11,838 million euro and is covered by Shareholders' equity for 6,003 million euro and Net financial position for 5,835 million euro.

"**Equity**", amounting to 6,003 million euro, shows positive movements for a total of 1,201 million euro.
The changes in the Group's equity relate to the positive result of the year for 864 million, offset by the distribution of the dividend of 300 million euro.
There were also other changes of 742 million euro as a result of the first subordinated perpetual hybrid bond issue in Green-use of proceeds format, with a nominal value of 750 million euro, net of the related transaction costs of 8 million euro, as well as changes down by 9 million euro relating to the payment of the first tranche of hybrid bond coupons.
Finally, there were changes of 92 million euro, mainly due to changes in the scope of consolidation and changes in minority interests of 4 million euro.

**The "Consolidated Net Financial Position"** as at 31 December 2024 amounted to 5,835 million euro (4,683 million euro as at 31 December 2023). Gross debt amounted to 7,432 million euro, up to 1,070 million euro compared to 31 December 2023. Cash and cash equivalents amounted to 1,549 million euro, a decrease of 80 million euro. Other net financial assets showed a positive balance of 48 million euro, with a net decrease of 2 million euro compared to 31 December 2023.
The fixed-rate portion of gross debt is 79%. The duration is 5.2 years.

During the year, the change in the Net Financial Position was negative and amounted to 1,152 million euro.
Net cash flow absorption amounted to 465 million euro, after organic capex of 1,512 million euro, the payments of the dividend of 300 million euro and the payment of 9 million euro of coupons relating to the

first subordinated perpetual hybrid bond issue in Green – use of proceeds format, with a nominal value of 750 million euro which, net of transaction costs, was recorded for a total value of 742 million euro. These cash flows were partly offset from cash generated by operating activities of 1,356 million euro.
The changes in the scope of consolidation over the year had a negative impact of 1,429 million euro, mainly attributable to the acquisition of 90% of the share capital of Duereti S.r.l. from e-distribuzione.

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**Economic Results of the Parent Company A2A S.p.A.**

In the year under review, A2A S.p.A. reported revenues totalling for 8,753 million euro (11,062 million euro in the previous year). Sales revenue (8,427 million euro) mainly refers to the sale of electricity to wholesalers, institutional operators including on the IPEX (Italian Power Exchange) markets and subsidiaries, the sale of gas and fuels to third parties and subsidiaries, as well as the sale of materials and environmental certificates. Revenues from services (273 million euro) mainly refer to administrative, fiscal, legal, managerial and technical services to subsidiaries and to revenues from the Municipality of Milan relating to video surveillance services.
The decrease in sales revenues is mainly due to the decrease in prices on the wholesale markets for both electricity and gas, as well as lower revenues from CO2 sales mainly due to the lower operation of the thermoelectric plants managed by A2A S.p.A. through tolling contracts.

Other revenues (53 million euro) increased compared to the previous year, mainly due to the reinstatement of the feed-in tariff incentive mechanism (in 2023 the amount of these incentives was zero as a result of the increase in the 2022 PUN beyond the threshold of €180/MWh provided for by the GRIN incentive calculation formula), as well as for the amount paid by EP Produzione as assignee of the dispatching of the Scandale plant for the financial year 2024.

Operating costs amounted to 7,881 million euro (10,449 million euro at 31 December 2023) and refer to raw material costs (6,826 million euro) relating essentially to the purchase of energy and fuels, both for electricity production and for resale to customers and wholesalers, as well as to the purchase of materials and environmental certificates; costs for services (478 million euro) which refer to logistics costs for transporting natural gas on the national network, maintenance and repair costs related to both the company's plants and information systems, as well as costs for services from third parties and subsidiaries and associated companies; other operating costs (577 million euro) which refer to the contracting of thermoelectric production plants "tolling agreement" by subsidiaries, costs relating to the use of a portion of Ergosud S.p.A.'s electricity capacity, as well as water derivation fees, damages and penalties.

The decrease in operating costs is due to the decrease in unit supply prices due to the decrease in the reference scenario, lower CO2 purchases as a result of lower volumes emitted related to lower thermoelectric production, as well as lower costs for the transportation and storage of natural gas and lower maintenance costs partly offset by higher operating costs. costs for IT services related to the development of new projects.
Labour costs amounted to 206 million euro (196 million euro at 31 December 2023).

As a result of the dynamics highlighted above, **EBITDA** stands at 666 million euro (418 million euro as of December 31, 2023).

**Depreciation, amortization and write-downs** of the year amounted to 193 million euro (182 million euro at 31 December 2023) and included depreciation, amortization and write-downs of intangible and tangible assets for 164 million euro (133 million euro as at 31 December 2023) and provisions of 29 million euro (49 million euro as at 31 December 2023).

**Net Operating Income - EBIT** was positive for 473 million euro (positive for 236 million euro at 31 December 2023).

"**Result from non-recurring transactions**" was zero, while at 31 December 2023 it amounted to 1.8 million euro and referred to the capital gain deriving from the sale of land in the Bovisa area located in the Municipality of Milan.

Financial operations shows a positive balance of 479 million euro (positive 338 million euro at 31 December 2023). This item includes dividends from investee companies of 396 million euro (283 million euro at 31 December 2023), as well as net financial income of 83 million euro (net financial income of 55 million euro at 31 December 2023).

**Result before taxes** was positive for 952 million euro (positive for 575 million euro at 31 December 2023).

"**Income taxes**" amounted to 164 million euro (87 million euro at 31 December 2023) and refer to current taxes calculated on IRES and IRAP taxable income, partly offset by deferred tax assets and liabilities.

**Net result of the year** was positive and amounted to 788 million euro (488 million euro at 31 December 2023).

Net capex of the year amounted to 142 million euro and concerned capex in hydroelectric plants, IT network equipment and equipment, buildings, assets under construction, capex in the Group's information systems and software.

**Balance sheet and financial position of the Parent Company A2A S.p.A.**

The "**Net financial position**" amounted to at 1,285 million euro (988 million euro at 31 December 2023) and increased by 297 million euro.
Net operating cash generation amounted to 456 million euro after the payment of dividends of 300 million euro, while net organic capex in tangible assets, intangible assets and shareholdings amounted to 1,453 million euro. The change in the net financial position was also due to the payment of 9 million euro of coupons relating to the first subordinated perpetual hybrid bond issue in Green-use of proceeds 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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**Dividend distribution proposal**

The Board of Directors resolved to propose to the Ordinary Shareholders' Meeting the approval of a dividend of 0.10 euro per share, corresponding to a total dividend of approximately 313.3 million euro, up 4.4% compared to the dividend distributed last year, equal to 0.0958 euro per share.

The dividend will be paid from 21 May 2025 (ex-dividend date 19 May 2025 – record date 20 May 2025).

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**Sustainability**

For 2024, A2A, as a large public-interest entity, has adapted its sustainability reporting to the Corporate Sustainability Reporting Directive, transposed into the national regulatory body with Legislative Decree 125/2024. Therefore, the Integrated Report has been replaced by a specific chapter of the Report on Operations, called Sustainability Reporting. The document reports the Group's performance in accordance with the provisions of the new European Sustainability Reporting Standards (ESRS), to which some specific KPIs have been integrated to help improve the representation of A2A. These include the updated targets of the Sustainability Plan and the related performance of the previous year.

The Group is present in the main stock market sustainability indices including Borsa Italiana's MIB ESG, dedicated to listed blue-chips with the ESG best practices, in line with the principles of the United Nations Global Compact. The Group has also been included for the fourth consecutive year in the S&P Global Sustainability Yearbook, the initiative that recognizes globally listed companies with the best sustainability performance based on the score obtained in the Corporate Sustainability Assessment, the ESG assessment model developed by the international rating agency. This year over 7,690 companies in total were evaluated and only 780 included. A2A ranked 6th out of 74 companies evaluated in the "Multi and Water Utilities" sector.

With reference to the European Taxonomy, the A2A Group has published the share of turnover, capital costs (CapEx) and operating costs (OpEx) associated with its economic activities considered eligible and aligned with the six environmental objectives set out in the Regulation:

- Turnover: in the 2024 financial year, 27% of the Group's turnover is eligible, while 17% is aligned with the European Taxonomy;
- CapEx: 72% of the Group's capex is eligible and 55% is aligned with the European Taxonomy;
- OpEx: 41% of the Group's OpEx is eligible while 31% is aligned with the European Taxonomy.

In 2024, the Group's decarbonisation process also continued: thanks to greater exploitation of renewable resources for electricity production, traditional power plants were used less extensively, in particular the San Filippo del Mela plant. It should also be noted that A2A, as of 2023, no longer has any electricity production from coal-fired plants. This generative structure has allowed a significant reduction in the Group's direct emissions, which amounted to 4.6 million tons of carbon dioxide, a substantial decrease compared to the previous year (-18%).
The Group's commitment to the fight against climate change does not only concern direct emissions: thanks to its plants and services, A2A has contributed to the decarbonisation of the country, avoiding over 3.3 million tonnes of CO2 emissions, through the development of the district heating network, generation from renewable sources and the sale of products aimed at energy efficiency. In addition, in 2024, the amount of green energy sold to end customers stood at 8.9 TWh.
The circular economy remains a pillar of the Group's strategy. The average separate waste collection rate in the areas served stood at 71% and the plants treated over 1.1 million tons of waste for material recovery, in continuity with 2023.

As for people, as of December 31, 2024, the Group had 14,777 employees, an increase compared to 2023, also thanks to the 1,636 people hired during the year, with a net growth of 649 units. 98% of employees are hired with permanent contracts. In the Diversity, Equity & Inclusion area, in 2024 year 13 Group companies were certified according to the UNI/PDR 125:2022 standard, compared to 6 in 2023. AMSA, Aprica, A2A Energia, A2A Gencogas, A2A S.p.A. and Unareti have been joined by A2A Ambiente, A2A E-mobility, A2A Ciclo Idrico, A2A Calore e Servizi, A2A Smart City, A2A Illuminazione Pubblica and A2A Services & Real Estate.

The commitment to an increasingly sustainable supply chain also continues: the Group had set itself the goal of obtaining an average ESG score of 50 points on the orders of the year (scale 0-100 through the Ecovadis portal) which was largely exceeded, with an average of 63, and with 79% of suppliers registered on the platform, up to 6 percentage points compared to the previous year.

The number of inspections on construction worksites is also growing, with a focus on safety issues, which in 2024 were 7,544, up to 10% compared to 2023.

During 2024, A2A involved about 120 thousand students (in line with 2023) in initiatives on environmental and sustainability education at national and local level. There were 16 events involving territories, in which the Group discusses with local stakeholders to assess needs and work together to provide the most correct response, given the specificities of the communities. As part of the Multistakeholder Forums, participants had the opportunity to discuss in-depth on two thematic streams in separate working tables: sustainable supply chain and biodiversity and climate.
In 2024, Banco dell'Energia activated 13 projects aimed at discouraging energy poverty, with over 1.2 million euro raised to help families in need. Since its foundation, Banco dell'Energia has donated over 13 million euro and guaranteed support to over 13,000 beneficiaries, through more than 150 projects distributed throughout the country.

***Sustainable finance***

During 2024, A2A gave a further boost to the development of Sustainable Finance products, continuing on the path traced in previous years.

Based on the Sustainable Finance Framework, during 2024, A2A structured the following main transactions:

- the first hybrid subordinated perpetual bond issuance in Green/Use of Proceeds format with a nominal value of 750 million euro. The issuance registered great interest from investors, receiving orders for about 2.9 billion euro, more than about 4 times the amount offered. The net proceeds are allocated to finance and/or refinance the Eligible Green Projects: strategic Circular Economy and Energy Transition projects related to the development of renewables, the environmental sector, electricity grids and the water cycle, as outlined in A2A's 2022 Sustainable Finance Framework, verified by Vigeo Eiris. Furthermore, the project selection criteria encompass eligibility with the EU Taxonomy and, on a best effort basis, also adhere to the technical criteria set by the corresponding Regulation.
- The signing of loans in Green/Use of Proceeds format, including the 600 million euro syndicated loan for the acquisition of assets related to the electricity grid in some areas of Lombardy announced in March 2024. The 2-year bridge loan was signed in June, disbursed in December 2024 and structured as a Green Loan in accordance with A2A's Sustainable Finance Framework and the Green Loan Principles (GLP) administered by Loan Market Association (LMA).

  Following these transactions, the share of ESG debt in total gross debt as of December 31, 2024 is 78%.
  During the second half of the year, the Group updated its Sustainable Finance Framework to align it with the new targets of the Strategic Plan, in particular by introducing a KPI relating to the installed capacity of the electricity grid in line with the Group's strategy focused on decarbonisation and electrification of consumption. The Group has further expanded its range of sustainable instruments by extending it to a second agreement for the use of a credit line for issuing guarantees in green format. Guarantees can be classified as green if they comply with the eligibility criteria of A2A's Sustainable Finance Framework and LMA's Green Loan Principles.

  In addition, in January 2025, the Group issued its inaugural European Green Bond with a nominal value of 500 million euro, the first on the market, structured on the basis of the recent Regulation (EU) 2023/2631. The issue has attracted considerable interest, receiving orders from investors for a total of 2.2 billion euro, about 4.4 times the amount offered. In accordance with the provisions of Regulation (EU) 2023/2631, the net proceeds from the issuance will go to finance or refinance projects as indicated in the Factsheet verified by Sustainable Fitch, without resorting to the use of the flexibility pocket. The selected projects will be 100% aligned with the European Taxonomy, central to executing the Group's Strategic Plan, focusing on Energy Transition and Circular

Economy, such as the development of electricity grids and renewable sources, energy efficiency and waste collection.

The Group considers it crucial to involve all relevant stakeholders, including investors, banking partners, legislators and companies in the sector, to compare and share best market practices to accelerate concrete action aimed at market development. Based on this approach, A2A has become a member of the International Capital Market Association (ICMA) since the beginning of 2024.

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**Business Outlook**

The forecasts for the 2025 financial year foresee an EBITDA of between 2.17 and 2.20 billion euro and a Group Net Income, net of non-recurring items, of between 0.68-0.70 billion euro.

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**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 impairments";
- **Ordinary EBITDA**: alternative operating performance indicato, 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 Profit;
- **Special Items:** non-recurring events occurring during the year that had an effect on the consolidated income statement;
- **"Ordinary" Net Result (Ordinary Net Income):** 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 shareholdings).
- **Capex:** alternative performance indicator used by the A2A Group as a financial objective in the context of 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 capex.

- **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 Consolidated Annual Financial Report as at 31 December 2024 and from the Separate Financial Statements as at 31 December 2024 are attached. The Consolidated Annual Financial Report, the Separate Financial Statements together with the Directors' Report are currently being audited.

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| CONSOLIDATED BALANCE SHEET (millions of euro) | 12.31.2024 | 12.31.2023 |
|---|---|---|
| **ASSETS** | | |
| **NON-CURRENT ASSETS** | | |
| Tangible assets | 7,517 | 6,643 |
| Intangible assets | 4,299 | 3,630 |
| Shareholdings carried according to equity method | 25 | 30 |
| Other non-current financial assets | 88 | 67 |
| Deferred tax assets | 549 | 464 |
| Other non-current assets | 130 | 138 |
| **TOTAL NON-CURRENT ASSETS** | **12,608** | **10,972** |
| **CURRENT ASSETS** | | |
| Inventories | 316 | 319 |
| Trade receivables | 3,643 | 3,540 |
| Other current assets | 1,296 | 2,264 |
| Current financial assets | 32 | 33 |
| Current tax assets | 45 | 41 |
| Cash and cash equivalents | 1,549 | 1,629 |
| **TOTAL CURRENT ASSETS** | **6,881** | **7,826** |
| **NON-CURRENT ASSETS HELD FOR SALE** | **405** | **-** |
| **TOTAL ASSETS** | **19,894** | **18,798** |
| **EQUITY AND LIABILITIES** | | |
| **EQUITY** | | |
| Share capital | 1,629 | 1,629 |
| (Treasury shares) | - | - |
| Reserves | 2,952 | 1,952 |
| Result of the year | 864 | 659 |
| **Equity pertaining to the Group** | **5,445** | **4,240** |
| Minority interests | 558 | 562 |
| **Total equity** | **6,003** | **4,802** |
| **LIABILITIES** | | |
| ***NON-CURRENT LIABILITIES*** | | |
| Non-current financial liabilities | 6,317 | 5,576 |
| Employee benefits | 214 | 237 |
| Provisions for risks, charges and liabilities for landfills | 854 | 828 |
| Other non-current liabilities | 347 | 335 |
| **Total non-current liabilities** | **7,732** | **6,976** |
| ***CURRENT LIABILITIES*** | | |
| Trade payables | 3,682 | 4,105 |
| Other current liabilities | 1,391 | 2,070 |
| Current financial liabilities | 955 | 775 |
| Tax liabilities | 120 | 70 |
| **Total current liabilities** | **6,148** | **7,020** |
| **Total liabilities** | **13,880** | **13,996** |
| **LIABILITIES DIRECTLY ASSOCIATED WITH NON-CURRENT ASSETS HELD FOR SALE** | **11** | **-** |
| **TOTAL EQUITY AND LIABILITIES** | **19,894** | **18,798** |

| CONSOLIDATED INCOME STATEMENT<br>(millions of euro) | 01.01.2024<br>12.31.2024 | 01.01.2023<br>12.31.2023 |
|---|---|---|
| **Revenues** | | |
| Revenues from the sale of goods and services | 12,570 | 14,492 |
| Other operating income | 287 | 266 |
| **Total Revenues** | **12,857** | **14,758** |
| **Operating expenses** | | |
| Expenses for raw materials and services | 9,218 | 11,591 |
| Other operating expenses | 419 | 381 |
| **Total Operating expenses** | **9,637** | **11,972** |
| **Labour costs** | **892** | **815** |
| **Gross operating income - EBITDA** | **2,328** | **1,971** |
| **Depreciation, amortization, provisions and write-downs** | **1,011** | **954** |
| **Net operating income - EBIT** | **1,317** | **1,017** |
| **Result from non-recurring transactions** | **5** | **2** |
| **Financial balance** | | |
| Financial income | 105 | 83 |
| Financial expenses | 218 | 222 |
| Affiliates | 2 | - |
| Result from disposal of other shareholdings | - | (1) |
| **Total financial balance** | **(111)** | **(140)** |
| **Result before taxes** | **1,211** | **879** |
| **Income taxes** | **319** | **199** |
| **Result after taxes from operating activities** | **892** | **680** |
| Net result from discontinued operations | **-** | 3 |
| **Net result** | **892** | **683** |
| **Minorities** | **(28)** | **(24)** |
| **Group result of the year** | **864** | **659** |

| CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME<br>(millions of euro) | 12.31.2024 | 12.31.2023 |
|---|---|---|
| **Net result of the year (A)** | **892** | **683** |
| Actuarial gains/(losses) on Employee's Benefits booked in the Net equity | 15 | 3 |
| Tax effect of other actuarial gains/(losses) | (6) | (1) |
| **Total actuarial gains/(losses) net of the tax effect (B)** | **9** | **2** |
| Effective part of gains/(losses) on cash flow hedge | (13) | (43) |
| Tax effect of other gains/(losses) | 4 | 11 |
| **Total other gains/(losses) on cash flow hedge net of tax (C)*** | **(9)** | **(32)** |
| Gains/(losses) on financial assets measured at Fair Value | 9 | - |
| Tax effect of other gains/(losses) | (3) | - |
| **Total gains/(losses) on financial assets measured at Fair Value net of tax (D)** | **6** | - |
| **Total comprehensive result (A)+(B)+(C)+(D)** | **898** | **653** |
| **Total comprehensive result attributable to:** | | |
| **Shareholders of the parent company** | **870** | **629** |
| **Minority interests** | **(28)** | **(24)** |

* the effects of these items will be transferred to the Income Statement in the following years

| CONSOLIDATED CASH-FLOW STATEMENT (millions of euro) | 12.31.2024 | 12.31.2023 |
|---|---|---|
| **CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE YEAR** | **1,629** | **2,584** |
| **Operating activities** | | |
| Net Result | 892 | 683 |
| Net income taxes | 319 | 199 |
| Net financial interests | 117 | 139 |
| Capital gains/expenses | (3) | (3) |
| Tangible assets depreciation | 580 | 523 |
| Intangible assets amortization | 304 | 278 |
| Fixed assets write-downs/disposals | 23 | 17 |
| Net provisions | 113 | 151 |
| Result from affiliates | (2) | 1 |
| Net financial interests paid | (108) | (101) |
| Net taxes paid | (304) | (317) |
| Dividends paid | (320) | (302) |
| Change in trade receivables | (169) | 1,057 |
| Change in trade payable | (435) | (1,420) |
| Change in inventories | 10 | 217 |
| Other changes | 122 | (82) |
| **Cash flow from operating activities** | **1,139** | **1,040** |
| **Investment activities** | | |
| Investments in tangible assets | (1,051) | (947) |
| Investments in intangible assets and goodwill | (461) | (429) |
| Investments in shareholdings and securities (*) | (1,312) | (45) |
| Cash and cash equivalents from first consolidations asset | 1 | 8 |
| Disposal of fixed assets and shareholdings | 4 | 48 |
| Issue of loans to other than financial institutions | - | - |
| Cash receipt/repayment from loans to other than financial institutions | 6 | 6 |
| **Cash flow from investment activities** | **(2,813)** | **(1,359)** |
| **FREE CASH FLOW** | **(1,674)** | **(319)** |
| **Financing activities** | | |
| **Changes in financial liabilities** | | |
| Borrowings/bonds issued | 1,942 | 943 |
| Repayment of borrowings/bond | (1,031) | (1,505) |
| Lease payments | (50) | (36) |
| Other changes | - | (38) |
| **Total changes in financial liabilities (*)** | **861** | **(636)** |
| **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** | **1,594** | **(636)** |
| **CHANGE IN CASH AND CASH EQUIVALENTS** | **(80)** | **(955)** |
| **CASH AND CASH EQUIVALENTS AT THE END OF THE YEAR** | **1,549** | **1,629** |

(*) 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* | Other Reserves and retained earnings | Result of the year | Total Equity pertaining to the Group | Minority interests | Total Net shareholders equity |
|---|---|---|---|---|---|---|---|---|---|
| **Net equity at December 31, 2022** | **1,629** | **-** | **30** | **-** | **1,839** | **401** | **3,899** | **568** | **4,467** |
| Result allocation | | | | | 401 | (401) | | | |
| Distribution of dividends | | | | | (283) | | (283) | (19) | (302) |
| IAS 19 reserves (*) | | | | | 2 | | 2 | | 2 |
| Cash flow hedge reserves (*) | | | (32) | | | | (32) | | (32) |
| Other changes | | | | | (5) | | (5) | (11) | (16) |
| Group and minorities result of the year | | | | | | 659 | 659 | 24 | 683 |
| **Net equity at December 31, 2023** | **1,629** | **-** | **(2)** | **-** | **1,954** | **659** | **4,240** | **562** | **4,802** |
| Result allocation | | | | | 659 | (659) | | | |
| Distribution of dividends | | | | | (300) | | (300) | (20) | (320) |
| IAS 19 reserves (*) | | | | | 9 | | 9 | | 9 |
| Cash flow hedge reserves (*) | | | (9) | | | | (9) | | (9) |
| Financial assets measured at Fair Value (*) | | | | | 6 | | 6 | | 6 |
| Change in scope | | | | | (99) | | (99) | (13) | (112) |
| Capital instruments – perpetual hybrid bond | | | | 742 | | | 742 | | 742 |
| Capital instruments – coupon paid on perpetual hybrid bond | | | | | (9) | | (9) | | (9) |
| Other changes | | | | | 1 | | 1 | 1 | 2 |
| Group and minorities result of the year | | | | | | 864 | 864 | 28 | 892 |
| **Net equity at December 31, 2024** | **1,629** | **-** | **(11)** | **742** | **2,221** | **864** | **5,445** | **558** | **6,003** |

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

| A2A S.p.A.<br>BALANCE SHEET<br>*(amounts in euro)* | 12.31.2024 | 12.31.2023 |
|---|---|---|
| **ASSETS** | | |
| **NON-CURRENT ASSETS** | | |
| Tangible assets | 872,997,315 | 895,732,259 |
| Intangible assets | 190,218,348 | 204,289,861 |
| Shareholdings | 5,511,097,534 | 4,202,373,558 |
| Other non-current financial assets | 401,643,203 | 574,944,016 |
| Deferred tax assets | 99,326,563 | 95,046,576 |
| Other non-current assets | 28,701,910 | 50,293,343 |
| **TOTAL NON-CURRENT ASSETS** | **7,103,984,873** | **6,022,679,613** |
| **CURRENT ASSETS** | | |
| Inventories | 183,295,985 | 173,048,742 |
| Trade receivables | 1,956,695,628 | 2,179,878,054 |
| Other current assets | 1,117,181,111 | 1,981,555,526 |
| Current financial assets | 4,229,639,783 | 3,478,748,427 |
| Current tax assets | 16,542,579 | 17,034,418 |
| Cash and cash equivalents | 1,323,166,285 | 1,487,378,564 |
| **TOTAL CURRENT ASSETS** | **8,826,521,371** | **9,317,643,731** |
| **NON-CURRENT ASSETS HELD FOR SALE** | | |
| **TOTAL ASSETS** | **15,930,506,244** | **15,340,323,344** |
| **EQUITY AND LIABILITIES** | | |
| **EQUITY** | | |
| Share capital | 1,629,110,744 | 1,629,110,744 |
| (Treasury shares) | - | - |
| Reserves | 2,599,010,980 | 1,671,334,819 |
| Net result of the year | 788,384,491 | 488,210,234 |
| **Total equity** | **5,016,506,215** | **3,788,655,797** |
| **LIABILITIES** | | |
| ***NON-CURRENT LIABILITIES*** | | |
| Non-current financial liabilities | 5,982,457,503 | 5,312,613,362 |
| Employee benefits | 109,634,645 | 123,148,493 |
| Provisions for risks, charges and liabilities for landfills | 183,612,424 | 170,854,446 |
| Other non-current liabilities | 21,995,257 | 14,157,804 |
| **Total non-current liabilities** | **6,297,699,829** | **5,620,774,105** |
| ***CURRENT LIABILITIES*** | | |
| Trade payables | 2,415,495,893 | 2,978,488,057 |
| Other current liabilities | 908,989,830 | 1,719,337,012 |
| Current financial liabilities | 1,202,973,435 | 1,180,741,454 |
| Tax liabilities | 88,841,042 | 52,326,919 |
| **Total current liabilities** | **4,616,300,200** | **5,930,893,442** |
| **Total liabilities** | **10,914,000,029** | **11,551,667,547** |
| **LIABILITIES ASSOCIATED WITH NON-CURRENT ASSETS HELD FOR SALE** | **-** | **-** |
| **TOTAL EQUITY AND LIABILITIES** | **15,930,506,244** | **15,340,323,344** |

| A2A S.p.A. INCOME STATEMENT<br>(amounts in euro) | 01.01.2024<br>12.31.2024 | 01.01.2023<br>12.31.2023 |
|---|---|---|
| **Revenues** | | |
| Revenues from the sale of goods and services | 8,700,014,382 | 11,045,993,962 |
| Other operating income | 52,802,126 | 16,447,078 |
| **Total Revenues** | **8,752,816,508** | **11,062,441,040** |
| **Operating expenses** | | |
| Expenses for raw materials and services | 7,304,341,257 | 9,790,846,301 |
| Other operating expenses | 576,500,085 | 657,678,357 |
| **Total Operating expenses** | **7,880,841,342** | **10,448,524,658** |
| **Labour costs** | **206,233,576** | **195,726,649** |
| **Gross operating income - EBITDA** | **665,741,590** | **418,189,733** |
| **Depreciation, amortization, provisions and write-downs** | **193,120,462** | **182,244,787** |
| **Net operating income - EBIT** | **472,621,128** | **235,944,946** |
| **Result from non-recurring transactions** | **-** | **1,789,992** |
| **Financial balance** | | |
| Financial income | 651,696,159 | 520,117,596 |
| Financial expenses | 172,189,763 | 182,478,065 |
| **Total financial balance** | **479,506,396** | **337,639,531** |
| **Result before taxes** | **952,127,524** | **575,374,469** |
| **Income taxes** | **163,743,033** | **87,353,525** |
| **Result after taxes from operating activities** | **788,384,491** | **488,020,944** |
| Net result from discontinued operations | - | 189,290 |
| **Net result of the year** | **788,384,491** | **488,210,234** |

| STATEMENT OF COMPREHENSIVE INCOME<br>(amounts in euro) | 12.31.2024 | 12.31.2023 |
|---|---|---|
| **NET RESULT OF THE YEAR (A)** | **788,384,491** | **488,210,234** |
| Actuarial gains/(losses) on Employee's Benefits booked in the Net equity | 12,503,100 | 3,630,262 |
| Tax effect of other actuarial gains/(losses) on employee benefits recognized in equity | (5,019,053) | (1,085,045) |
| **Total actuarial gains/(losses)  net of the tax effect (B)** | **7,484,047** | **2,545,217** |
| Effective part of gains/(losses) on cash flow hedge | (12,068,264) | (42,493,663) |
| Tax effect of other gains/(losses) | 3,190,002 | 11,573,258 |
| **Total gains/(losses)on cash flow hedge net of tax (C) *** | **(8,878,262)** | **(30,920,405)** |
| Gains/(losses) on financial assets measured at Fair Value | 9,007,576 | - |
| Tax effect gains/(losses) on financial assets measured at Fair Value | (2,663,540) | - |
| **Total gains/(losses) of financial assets measured at Fair Value net of tax (D)** | **6,344,036** | **-** |
| **Total comprehensive result (A)+(B)+(C)+(D)** | **793,334,312** | **459,835,046** |

* the effects of these items will be transferred to the Income Statement in the following years

| A2A S.p.A. CASH-FLOW STATEMENT<br>(amounts in euro) | 12.31.2024 | 12.31.2023 |
|---|---|---|
| | | |
| **CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE YEAR** | **1,487,378,564** | **2,338,464,796** |
| **Operating activities** | | |
| Net Result | 788,384,491 | 488,210,234 |
| Net income taxes | 163,743,033 | 87,353,525 |
| Net financial interests | (83,816,888) | (48,448,085) |
| Capital gains/expenses | (13,975) | (8,650,785) |
| Tangible assets depreciation | 106,606,137 | 87,476,554 |
| Intangible assets amortization | 57,173,221 | 45,954,585 |
| Fixed assets write-downs/disposals | 492,340 | 69,311 |
| Shareholdings write-up/down | 10,329 | 206,864 |
| Net provisions | 28,848,764 | 48,745,428 |
| Net financial interests paid | 105,229,115 | 22,346,788 |
| Net taxes paid | (146,095,574) | (209,182,250) |
| Dividends paid | (300,132,326) | (283,214,637) |
| Change in trade receivables | 225,199,003 | 1,470,038,404 |
| Change in trade payable | (562,992,164) | (1,628,145,469) |
| Change in inventories | (10,247,243) | 216,233,405 |
| Other changes | 83,390,094 | (49,421,032) |
| **Cash flow from operating activities** | **455,778,357** | **239,572,840** |
| **Investment activities** | | |
| Investments in tangible assets | (68,816,347) | (72,169,720) |
| Investments in intangible assets and goodwill | (72,771,363) | (58,781,201) |
| Investments in shareholdings and securities (*) | (1,311,874,782) | (60,449,276) |
| Disposal of fixed assets and shareholdings | 886,430 | 56,389,643 |
| Issue of loans to other than financial institutions | (109,000,000) | (24,000,000) |
| Cash receipt/repayment from loans to other than financial institutions | 790,002,972 | 69,530,665 |
| **Cash flow from investment activities** | **(771,573,090)** | **(89,479,889)** |
| | | |
| **FREE CASH FLOW** | **(315,794,733)** | **150,092,951** |
| **Financing activities** | | |
| **Changes in financial assets** | | |
| Change in intercompany currency accounts | (1,254,517,713) | (310,805,455) |
| **Total changes in financial assets (*)** | **(1,254,517,713)** | **(310,805,455)** |
| **Changes in financial liabilities** | | |
| Change in intercompany currency accounts | (266,376,310) | (77,151,826) |
| Borrowings/bonds issued | 1,810,000,000 | 800,000,000 |
| Repayment of borrowings/bond | (849,509,881) | (1,379,049,398) |
| Lease payments | (20,399,783) | (18,138,600) |
| Other changes | - | (16,033,904) |
| **Total changes in financial liabilities (*)** | **673,714,026** | **(690,373,728)** |
| **Capital instruments – perpetual hybrid bond** | | |
| Issue of perpetual hybrid bond | 741,812,350 | |
| Coupon paid on perpetual hybrid bond | (9,426,209) | **-** |
| **Capital instruments – perpetual hybrid bond** | **732,386,141** | - |
| **Cash flow from financing activities** | **151,582,454** | **(1,001,179,183)** |
| | | |
| **CHANGE IN CASH AND CASH EQUIVALENTS** | **(164,212,279)** | **(851,086,232)** |
| | | |
| **CASH AND CASH EQUIVALENTS AT THE END OF THE YEAR** | **1,323,166,285** | **1,487,378,564** |

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

A2A S.p.A.
**Statement of changes in equity**
**(amounts in euro)**

| Description | Share capital | Treasury shares | Cash flow hedge *Reserve* | Reserve for equity instruments – perpetual hybrid bond | Reserves | Net result of the year | Total equity |
|---|---|---|---|---|---|---|---|
| **Equity at December 31, 2022** | **1,629,110,744** | **-** | **27,134,786** | **-** | **1,401,213,849** | **545,581,220** | **3,603,040,599** |
| Contribution from non-recurring transactions | | | | | 8,994,789 | | 8,994,789 |
| Result allocation | | | | | 545,581,220 | (545,581,220) | - |
| Distribution of dividends | | | | | (283,214,637) | | (283,214,637) |
| IAS 19 reserve (*) | | | | | 2,545,217 | | 2,545,217 |
| *Cash flow hedge* reserves (*) | | | (30,920,405) | | | | (30,920,405) |
| Other changes | | | | | | | - |
| Net result of the year (*) | | | | | | 488,210,234 | 488,210,234 |
| **Equity at December 31, 2023** | **1,629,110,744** | **-** | **(3,785,619)** | **-** | **1,675,120,438** | **488,210,234** | **3,788,655,797** |
| Result allocation | | | | | 488,210,234 | (488,210,234) | - |
| Distribution of dividends | | | | | (300,132,326) | | (300,132,326) |
| IAS 19 reserve (*) | | | | | 7,484,047 | | 7,484,047 |
| *Cash flow hedge* reserves (*) | | | (8,878,262) | | | | (8,878,262) |
| Financial assets measured at Fair Value (*) | | | | | 6,344,036 | | 6,344,036 |
| Capital instruments – perpetual hybrid bond | | | | 741,812,350 | | | 741,812,350 |
| Capital instruments – coupon paid on perpetual hybrid bond | | | | | (9,426,209) | | (9,426,209) |
| Other changes | | | | | 2,262,291 | | 2,262,291 |
| Net result of the year (*) | | | | | | 788,384,491 | 788,384,491 |
| **Equity at December 31, 2024** | **1,629,110,744** | **-** | **(12,663,881)** | **741,812,350** | **1,869,862,511** | **788,384,491** | **5,016,506,215** |
| **Availability of Equity Reserves**<br><br>A: For share capital increase<br>B: To cover losses<br>C: For distribution to Shareholders - available for 1,623,054,791 euro (**)<br>D: Reserves not avaliable | | | **D** | **D** | **A-B-C** | | |

(*) These form part of the statement of comprehensive income.
(**) of which subject to tax moderate suspension equal to 124,783,022 euro, and subject to tax suspension following the realignment of Legislative Decree 104/20 for 227,529,561 euro.