A2A Investor Newsletter

Lifelights

Issue 1 February 2026

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CEO interview: Strategic Plan Update to 2035

The Strategic Plan Update presented on 12 November 2025 strengthens A2A's industrial targets, introduces a new strategic positioning in the data-center segment, and reinforces the Company's role in enabling Italy's ecological transition.

We interviewed CEO Renato Mazzoncini to discuss A2A's €23 billion capex plan for 2024-2035 and how the Company intends to capture emerging opportunities in Italy and across Europe, while maintaining sound financial discipline, a confirmed dividend policy, and a clear pathway towards Net Zero to 2050.

Italy's energy system is undergoing a structural transformation, with electrification accelerating even as final energy consumption is decreasing. How is A2A positioning itself to capture this shift while contributing to national decarbonization?

The Italian energy landscape is clearly shifting: efficiency gains are moderating overall consumption, while electrification and decarbonization are reshaping the system. At A2A, we are directly contributing to reducing national dependence on fossil fuels through the decarbonization of our generation mix, waste-to-energy development, the expansion of district heating, and other energy efficiency solutions.

On the other hand, electricity demand is expected to grow to around 400 TWh in 2035, increasingly driven by data centers, heat pumps, e-mobility, and industrial electrification.

In particular, the scenario underpinning A2A's Strategic Plan assumes an installed data center capacity in Italy of 2.3 GW by 2035, implying an electricity demand of 25 TWh, more than half of which would be concentrated in the Milan area. This is a structural long-term growth driver for A2A as an energy provider. In a full potential scenario, not included in the Plan, data center capacity is estimated at 4.6 GW and the related electricity

A2A's energy transition strategy for the next decade is built around a clear trajectory: strengthening the backbone of our networks, accelerating the transition of our generation mix, and deepening our relationships with customers.

demand at 42 TWh, which would unlock meaningful additional opportunities for A2A.

Of the €23 billion in capex envisaged by the plan, €16 billion are allocated to the Energy Transition and €7 billion to the Circular Economy, with 74% eligible for European taxonomy criteria. This will enable A2A to reach €3.6 billion in EBITDA and over €1.1 billion in ordinary net income by 2035.

Your Energy Transition strategy rests on three key businesses: networks, generation, and supply. Which are the industrial levers to create long-term value while supporting Italy's decarbonization pathway?

A2A's energy transition strategy for the next decade is built around a clear trajectory: strengthening the backbone of our networks, accelerating the transition of our generation mix, and deepening our relationships with customers.

The first strategic lever to achieve this goal is a combination of scale and modernization in electricity networks: the successful integration of Duereti, recently acquired from Enel, has given us a broader platform to grow from. The distribution concession renewal, whose details are being finalized in the coming months, will enable further investments to make infrastructure increasingly resilient and to reduce its obsolescence. Over the Plan period, we will invest €4.9 billion in grids (+€0.8 billion vs. old Plan), especially on new primary and secondary substations, thus increasing network capacity, and on new connections.

Consequently, we plan to nearly triple A2A electricity RAB (Regulatory Asset Base) from the current €1.6 billion to €4.0 billion by 2035 (+€0.6 billion vs. old Plan). Moreover, A2A will focus on operational efficiency, increasing the profitability in terms of EBITDA/POD. We aim at reaching more than €0.5 billion in EBITDA from electricity distribution by 2035 (€0.8 billion for the Smart Infrastructures BU[1]), positioning our grids as a long-term value engine.

The second lever of A2A energy transition strategy is a targeted development of our generation portfolio: we are committed to reaching 3.7 GW of solar and wind capacity by 2035 from the current 0.7 GW, thanks to a capex plan of €3.7 billion on repowering and selective greenfield development. At the same time, we are upgrading our thermoelectric fleet with high-efficiency, flexible assets: in particular, the new CCGT plant in Monfalcone, featuring best-in-class efficiency of 63% and already awarded capacity through the Capacity Market mechanism, is expected to come onstream in 2027. Thanks also to our strong hydro generation in Italy, we are creating a more balanced and future-fit generation mix, with a growing percentage of our sold electricity linked to PPA or incentives that mitigate price volatility risk. Additional derisking is provided by the integration with our significant customer base. By 2035, our Generation & Trading BU is expected to reach €0.9 billion of EBITDA.

Our customers are our third lever. In an increasingly competitive residential market[2], we remain committed to reaching 5 million customers by

1) The Smart Infrstructures BU also includes gas distribution, public lighting, and e-mobility.
2) As already done in previous Plans, A2A prudently included in its Plan projections a reduction in unitary margins due to the competitive pressure.

2035 from the current 3.6 million, with around 70% in power from the current 58%, in line with the electrification trend. The customer base expansion will be pursued through a careful optimization of the channel mix with innovative offers to consolidate longterm relationships. Efforts will also be direct-ed towards Cost-to-Serve reductions.

In B2B, A2A >10% market share reflects the strength of a vertically integrated model that allows us to offer long-term certainty through structured green PPAs. By 2035, the Market BU is expected to generate €0.6 billion EBITDA.

The Circular Economy Business Unit covers several diverse areas, from waste management to water, district heating, and now the data center platform. Could you give us more colour about the key businesses within this unit and share the growth strategy for each?

Our Circular Economy BU encompasses waste management, water cycle, district heating, and the newly created data center platform. In 2035 this BU is expected to generate €1.3 billion in EBITDA, through €6.5 billion in capex.

In the waste business, our strategy is focused on increasing treated volumes up to 6.6 million tonnes in 2035 through the construction or revamping of Waste-to-Energy[3] and material recovery plants, closing the waste cycle. With 2.6 TWh of energy and 1.9 TWh of heat recovered by our plants, we aim to further strengthen our national leadership in energy recovery from waste. Our waste business, including collection, is expected to generate €0.7 billion of EBITDA by 2035, with a capex of €3.3 billion over the plan period. Further, €1.2 billion will be invested in district heating to support the decarbonization of residential consumption, and €0.5 billion in the water cycle to reduce leaks and build new treatment plants.

One of the key strategic developments for A2A is the launch of a data center platform, integrated within the Circular Economy BU. This new business is expected to generate an EBITDA of around €0.4 billion in 2035, underpinned by €1.6 billion of capex starting from 2027.

You mentioned the launch of the data center platform within the Circular Economy BU. Can you tell us more about this business model and what makes it unique for A2A?

A2A will operate as a direct developer, building data centers on its own brown-field production sites in Lombardy, with the aim of accelerating time-to-market and improve energy efficiency. We will design and build the external infrastructure, making it energy-optimized thanks to our distinctive know-how. The data center will be leased to hyperscalers or co-locators, who will be responsible for installing and running servers. Moreover, direct connection to our power production plants can ensure supply cost savings and faster deployment. Furthermore, the integration between data center cooling and our district heating network enables a unique circularity proposition: recovered server-room heat can be valorised through our infrastructure providing clean heat to households. At the same time, data centers will be able to improve their energy efficiency profile.

Part of your €23 billion capex includes projects that are yet to start. How do you approach investment flexibility, and which opportunities in Europe are you looking at to expand A2A's footprint?

Our approach to capex is flexible. If we identify initiatives in Europe that promise better returns and faster execution, we can reallocate resources from Italy to expand our footprint strategically. We will focus on waste and power value chain, our key strengths, starting from an initial inorganic move and then pursuing gradual growth. Potential key markets are UK and Spain for the waste business, Germany and Poland for the power generation.

Looking at the updated plan, can you walk us through the key financial targets and how the company expects to balance short-term profitability with long-term growth?

The updated Plan confirms A2A's financial targets, with medium-to-long term upside driven by the development of the data center business. EBITDA is projected to grow from €2.2 billion in 2025F to

3) Corteolona - urban WTE, Trezzo and Crotone - industrial WTEs

€2.4 billion in 2028, €2.8 billion in 2030, and €3.6 billion in 2035. The 2035 EBITDA targets include around €0.4 billion from the data center platform, whose initial contribution is expected in 2028.

The EBITDA CAGR for the period is 5% over 2025-2035 and 6% over 2028-2035. Our ambitious €23 billion capex program underpins this growth, with more than 35% of the capex allocated to projects that are completed or currently underway.

Ordinary net income is expected to reach €0.7 billion in 2028, over €0.8 billion in 2030, and over €1.1 billion by 2035. This implies a CAGR of 6% for 2025-2035 and 8% for 2028-2035.

Our dividend policy is confirmed, targeting at least 4% annual growth in the dividend per share.

We expect to generate €14 billion cash flow after maintenance capex, with a cash conversion rate above 50%.

We expect net debt to increase by €3 billion, with an NFP-to-EBITDA ratio of 2.7x in 2030 and 2.4x in 2035. Thanks to disciplined management of our cost of debt, we expect a maximum of 3.3% in 2035, while maintaining a target of 100% ESG debt by 2035. We remain committed to maintaining our current rating with an FFO-to-net-debt ratio at a minimum of 24% throughout the period of the plan.

These figures reflect A2A's confidence in delivering steady operational performance and short-term profitability, while laying the foundation for long-term growth supported by a robust CAPEX plan.

Useful links:

- Press release - Strategic Plan Update
- Presentation - Strategic Plan Update
- Press release - Data centers position paper by TEHA Group and A2A *(Italian only)*
- Video webcast - 9M 2025 Results and Strategic Plan Update

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9M 2025 – CFO message

A2A's diversified and integrated business model once again proved its resilience, allowing us to capture value and deliver solid results despite changing market conditions.

Luca Moroni
CFO

Our first nine months of 2025 confirmed the resilience of our business, with EBITDA at €1.7 billion (-4% year-on-year), despite the normalization of hydroelectric production after the exceptional levels seen in 2024. The lower hydro output - now aligned with the historical average - was partially offset by the strong performance in electricity networks, higher capacity market premiums, and increased urban waste treatment prices.

A2A's electricity RAB grew 51% year-on-year, driven by the acquisition of Duereti from Enel and continued investments to strengthen our infrastructure.

Effective commercial initiatives supported a 7% increase in our B2C customer base in the free mass market electricity segment.

Our diversified and integrated generation portfolio enabled us to capture value by responding effectively to changing market conditions. While renewables contributed less, A2A's CCGT plants ensured system reliability, also supported by the Capacity Market.

The first nine months of 2025 were also marked by strong cash generation, reducing A2A's NFP-to-EBITDA ratio to 2.4x at the end of September, down from 2.5x at the end of December 2024.

These results allowed us to confirm the full-year 2025 guidance at the upper end of the original range: EBITDA €2.17 - 2.20 billion and ordinary net profit, excluding non-recurring items, €0.68-0.70 billion.

During the period, we signed a 15-year Power Purchase Agreement (PPA) with ERG for a total supply of ~2.7 TWh of renewable wind energy starting in 2027. This agreement will allow us to diversify our renewable generation mix, better aligning it with our customers' evolving energy needs.

In sustainable finance, we successfully placed a €500 million, 10-year European Green Bond at the beginning of the year — the first of its kind issued by a European corporate – further strengthening the link between A2A financing and sustainability strategy. Including this issuance, our ESG-linked debt has reached 83%, already above our 2027 target (>80%).

Finally, we also launched "Life Sharing", our broad-based Employee Share Ownership Plan, which has already attracted over 11,000 participants, reinforcing our people-focused culture and sense of belonging.

Luca Moroni
CFO

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Highlights 9M 2025

€1.7 B	€1.0 B	€0.6 B	€1.0 B	2.4x
EBITDA	EBIT	Ordinary net profit	Organic capex	Net debt/EBITDA
↓ 4% yoy	↓ 11% yoy	↓ 16% yoy	↑ 15% yoy	↓ from 2.5x in Dec 24

In the first nine months of 2025, EBITDA declined slightly, mainly due to the normalization of hydroelectric production after the exceptionally high levels recorded in 2024. This was reflected in the performance of the Generation and Trading Business Unit (EBITDA €626 million, -21%), as last year's extraordinary rainfall had boosted hydro output and margins well above historical averages.

Despite a 22% drop in renewable production in the first nine months of 2025, our diversified generation portfolio enabled a 30% increase in thermoelectric production, partially offsetting the Business Unit's EBITDA decline. The Market Business Unit (EBITDA €331 M, -9%) remained resilient despite the exit from the Safeguard ("Salvaguardia") segment and higher marketing costs. Electricity volumes sold increased 9% year-on-year thanks to a strenthening of our position in both the B2B and B2C free markets. In particular, the number of PODs in the electricity free mass market rose by 7%.

The Circular Economy Business Unit (EBITDA €423 million, +2%) delivered solid growth, supported by higher revenues from waste disposal and increased district heating volumes.

The Smart Infrastructures Business Unit (EBITDA €385 million, +38%) saw strong performance, benefiting from the consolidation of Duereti's electricity networks in the provinces of Milan and Brescia (€68 million EBITDA), acquired at the end of 2024, and from the recognition of recent investments in the RAB. As of September 2025, the electricity RAB had increased 51% year on year, exceeding €1.6 billion. During the period, we also completed the disposal of certain gas distribution networks in Lombardy to Ascopiave for a total consideration of €430 million.

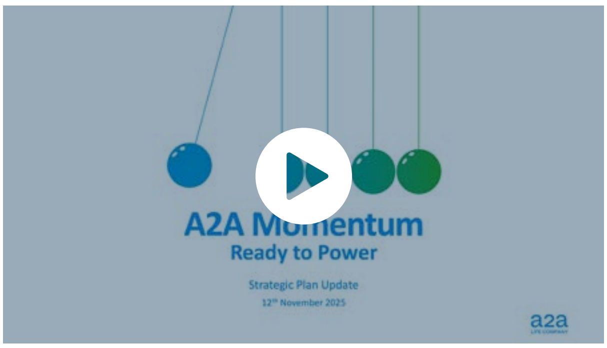
Consolidated EBITDA stood at €1,729 million (-4% year on year). Adjusting for the exceptional hydro contribution in 9M 2024, EBITDA would have been +3% year on year. Ordinary net profit reached €559 million (-16% year on year). Normalized for hydro volumes, net profit would have been -7%.

Capex totaled €1,037 million (+15% year on year), with 51% EU Taxonomy–aligned and 70% eligible.

Effective working capital management enabled us to generate over €1.5 billion in operating cash flow, funding over €1.0 billion in capex and €313 million in dividend payments.

Useful links:

- → [Press release - 9M 2025 Results]
- → [Analyst presentation - 9M 2025 Results]
- → [Video webcast - 9M 2025 Results and Strategic Plan Update]



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Climate Transition Plan

On 3 December 2025, A2A unveiled its Climate Transition Plan (CTP), fully aligned with its 2035 Strategic Plan update and the European decarbonization trajectory. In response to intensifying climate pressures, the EU has set a 90% emissions-reduction target by 2040 (vs 1990), and we are positioning A2A to lead this transition.

For the definition of this Plan, A2A adopted a bottom-up process that began in 2024 at the level of individual Business Units and involved multiple corporate functions. This process resulted in the drafting and approval of internal CTPs, specific to each BU, by top management. Building on these, the Group CTP was then developed in line with the two pillars of A2A's Strategic Plan: Energy Transition and Circular Economy.

Mitigating climate change is an essential condition for the stability of environmental, social, and economic systems. Since 2000, extreme weather events have caused damages exceeding 3,600 billion dollars, and estimates indicate that the costs of inaction could reach 1,200 trillion euros, almost double the investments required to comply with the Paris Agreements.

Roberto Tasca
Chair

The climate crisis requires vision, consistency, and the ability to act responsibly in the long term. We face this challenge by leveraging our industrial skills, the technological innovation we are investing in, and a business model that integrates environmental, economic, and social dimensions.

Renato Mazzoncini
CEO

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A2A is committed to achieving Net Zero by 2050 reducing its carbon footprint by 90% vs 2023 levels, with only residual emissions offset through certified carbon removal credits. In detail interim milestones are confirmed, with:

- 50% reduction in direct and indirect emissions (Scope 1 and 2) by 2035 compared to 2017, implying a 61% reduction in the emission factor;
- 80% reduction in direct and indirect emissions (Scope 1 and 2) by 2040;
- 37% reduction in Scope 3 emissions by 2035 compared to 2017.

All these targets will be achieved thanks to the following actions:

- Direct levers, such as RES development, hydro plants optimisation, district heating decarbonisation, Carbon Capture and Storage (CCS) on Waste-to-Energy plants, and modernization of the service and collection vehicle fleet.
- Indirect levers, such as supply chain decarbonisation and lower carbon intensity of the national power grid (through reduction of distribution network losses and increase of renewable energy consumption by the water treatment plants).

We will also pursue enabling levers beyond our perimeter such as expansion of district heating to replace residential boilers, increased separate collection and material recovery to maximise avoided emissions in the life cycle of materials, increased energy recovery from waste as an alternative to conventional generation. Moreover, we launched A2A Life Ventures, the first corporate-funded company in Italy integrating all levers of open innovation to develop digital, physical and AI-based solutions within A2A before scaling them to the broader market.

The company objective is to promote the adoption of transformative technologies, improving the quality of life of the people and communities in which we operate.

Considering A2A's €23 billion capex plan to 2035, €7 billion is dedicated to core decabonization levers:

- ~€3.9 billion mainly for the development and optimization of renewable energy
- ~€1 billion for CCS on WtE plants, bioenergy and biomethane, and fleet modernization
- ~€800 million for energy efficiency services for third parties, e-mobility, and smart city solutions
- ~€500 million for the environmental value chain (waste collection, treatment, and material recovery)
- ~€360 million for the expansion and decarbonization of district heating

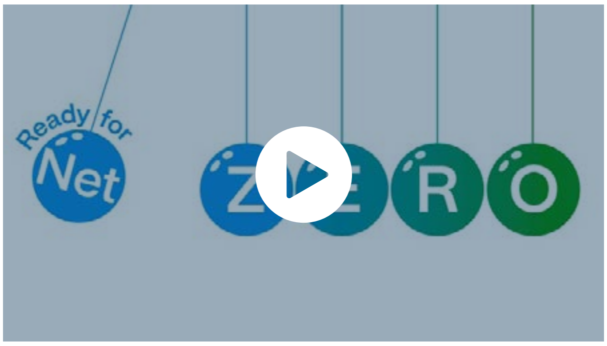
The Plan is also backed by a strong sustainable finance platform, including A2A's first European Green Bond and Italy's first Blue Bond, supporting the goal to reach 100% ESG-linked debt by 2035 (currently 82%).

A "Just Transition" underpins the strategy: A2A will reskill and upskill employees impacted by the transition, while continuing to engage with cities, businesses, schools, and communities promoting a fair and inclusive low-carbon future.

Useful links:

→ Press release - Climate Transition Plan
→ Presentation - Climate Transition Plan

→ Video Webcast – CEO presents CTP



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Share price performance

Debt and ratings

Debt profile (€ mln)	Bonds	Bank loans and other	Total debt
Balance as of 30/09/2025	5,050	1,522	6,572
Maturing 31/12/2025	12	98	110
Maturing 31/12/2026	637	351	988
Maturing 31/12/2027	299	138	437
Maturing 31/12/2028	498	129	627
Maturing 31/12/2029	397	116	513
Maturing beyond 2029	3,207	690	3,897

	Standard & Poor's	Moody's
M/L Term rating	BBB	Baa2
S/T rating	A-2	-
Outlook	Stable	Positive
Last change date	08/09/23	28/05/25
Last review date	20/12/24	28/05/25

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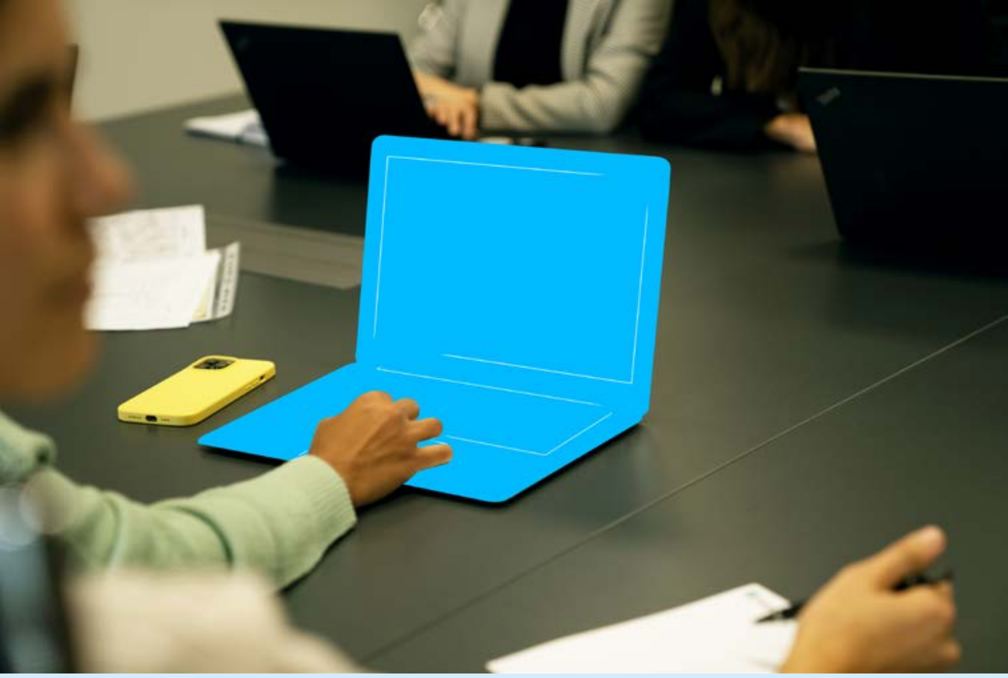

Upcoming investor events

17 March 2026 – FY 2025 Results

28 April 2026 – AGM

14 May 2026 – 1Q 2026 Results

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Forward-looking statements