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Integrated Annual Report 2025

VALUES, MISSION AND PURPOSE

Vision:

To be a leading figure in the energy world, driving its sustainable evolution and innovating each day to improve people's quality of life.

Mission:

We have guaranteed efficient, safe and excellent energy services to the community for over 180 years. We favour the energy transition, creating the networks of the future and promoting innovative, sustainable solutions. We take care of local communities. We fuel positive, productive relationships with all of our stakeholders: individuals, companies, suppliers and shareholders. We enter new markets where we can apply our distinctive expertise. We promote the growth of individuals and develop talent, creating inclusive, stimulating work environments.

Purpose:

Pioneers by passion and builders by calling, we bring all our energy to accelerate the ecological transition. We do it for us. We do it for everyone.

Disclaimer

The Integrated Annual Report contains forward-looking statements, specifically in the "Business Outlook" section, relating to: investment plans, financial structure evolution, future operating performance and project execution. The forward-looking statements, by their nature, involve risks and uncertainties as they depend on the occurrence of future events and developments. The actual results could therefore differ from those announced in relation to various factors, including: actual operating performance, general macro-economic conditions, geopolitical factors such as international tensions and socio-political instability, the impact of energy and environmental regulations, the successful development and application of new technologies, changes in stakeholder expectations and other changes in business conditions, action by competitors.

The names Italgas, Italgas Group or Group refer to Italgas S.p.A. and the companies included in the scope of consolidation.

Corporate bodies

BOARD OF DIRECTORS ^(a)

Chairperson

Paolo Ciocca

Chief Executive Officer and General Manager

Paolo Gallo

Directors

Cecilia Andreoli

Fabio Barchiesi

Costanza Bianchini

Alessandra Faella

Erika Furlani

Gianmarco Montanari

Qinjing Shen

CONTROL AND RISKS AND RELATED-PARTY TRANSACTIONS COMMITTEE ^(b)

Gianmarco Montanari (Chairperson)

Costanza Bianchini

Erika Furlani

SUSTAINABLE VALUE CREATION COMMITTEE ^(b)

Alessandra Faella (Chairperson)

Costanza Bianchini

Qinjing Shen

INDEPENDENT AUDITING FIRM ^(e)

Deloitte & Touche S.p.A

BOARD OF STATUTORY AUDITORS ^(a)

Chairperson

Giulia Pusterla

Standing auditors

Maurizio di Marcotullio

Eliana Quintili

Alternate auditors

Maurizio De Filippo

Stefano Podda

APPOINTMENTS AND COMPENSATION COMMITTEE ^(c)

Cecilia Andreoli (Chairperson)

Fabio Barchiesi

Erika Furlani

SUPERVISORY BODY ^(d)

Antonio Gullo (Chairperson)

Giacomo Aiello

Celeste Cassitti

^(a) Appointed by the Shareholders' Meeting of 13 May 2025. In office until the date of the Shareholders' Meeting that will be called for the approval of the financial statements for the year ending 31 December 2027.

^(b) Committee established by the Board of Directors on 4 August 2016. Members appointed by the Board of Directors on 27 June 2025.

^(c) Committee established by the Board of Directors on 23 October 2017. Members appointed by the Board of Directors on 27 June 2025.

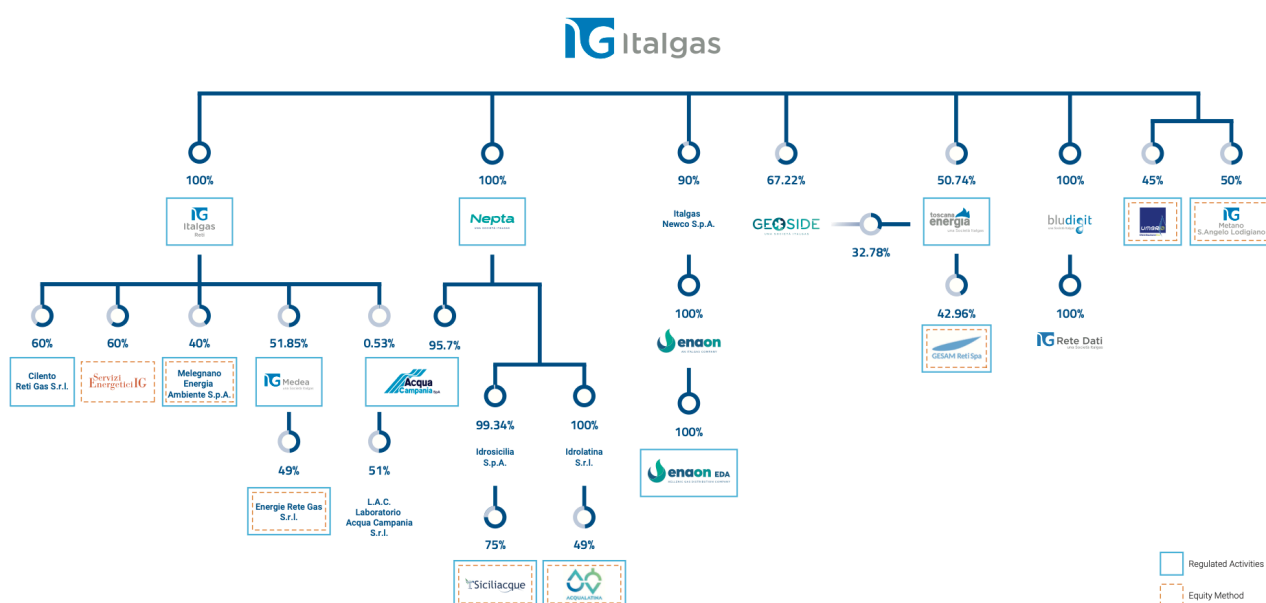
^(d) The Supervisory Body was appointed by the Board of Directors on 18 September 2025 and will remain in office until the expiry of the mandate of the Board of Directors that appointed it, namely the date of the Shareholders' Meeting called to approve the financial statements as at 31 December 2027. In accordance with the Organisation, Management and Control Model pursuant to Legislative Decree no. 231/2001, the Supervisory Board continues to perform its functions *ad interim* until such time as the Board of Directors resolves to appoint the new Supervisory Board.

^(e) Engagement assigned by the Shareholders' Meeting of 12 May 2020 for the period 2020 - 2028.

Italgas Group structure as at 31 December 2025

The structure of the Italgas Group as at 31 December 2025 changed compared with that in place as at 31 December 2024 due to: i) the completion, on 1 April 2025, of the acquisition of 99.94% of the share capital of 2i Rete Gas S.p.A. from the sellers F2i SGR S.p.A. and Finavias S.à.r.l., subsequently, on 16 April 2025, the reverse stock split of 2i Rete Gas shares took effect, through which Italgas reached 100% ownership of the company's shares; ii) the merger of Acqua into Nepta with accounting and tax effects from 1 January 2025; iii) the merger by incorporation of 2i Rete Gas into Italgas Reti on 1 July 2025; iv) the transfer of the IT business unit of 2i Rete Gas to Bludigit, including the equity investment in IG Rete Dati.

Below is the structure of the group.



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Directors' Report

Letter to Shareholders and Stakeholders

2025 represented a defining moment for Italgas. The acquisition and subsequent integration of 2i Rete Gas, completed in just 90 days, not only expanded the Group's scale but gave rise to a new industrial reality which, by virtue of its size and significance, is positioned as the operator of a strategic infrastructure for the country and as a European and global reference point in gas distribution. This new structure further consolidates its role as a technological benchmark and strengthens Italgas' capacity to assume the function of an enabling platform for the energy transition in Italy, Greece and Europe, through smart networks, a range of technological solutions and increasingly resilient systems.

This evolution made it possible to respond promptly to the changes in the operating environment experienced during the year. Events affecting the European energy landscape contributed to redefining the concept of energy security. The blackout that affected Spain in April, with repercussions also in France and Portugal, made clear a point we have long maintained: there is no single solution for the energy transition. The increase in the share of wind and photovoltaic generation, while essential, inevitably increases system rigidity, making it necessary to develop flexible and redundant infrastructures. It is no coincidence that this awareness coincided with an increase in gas demand in several European countries, including Italy, confirming the structural role of molecules in maintaining system balance.

In this context, we reiterate the importance of the principle of technological neutrality. Only by placing all technologies in a position to compete and collaborate – electric and molecular, digital and infrastructural – can we accelerate the path towards net zero and, at the same time, strengthen the resilience of energy systems. Our experience clearly demonstrates that the gas network – smart, digital and ready to accommodate renewable molecules – is not a legacy of the past but a strategic asset for energy security and for effective and sustainable decarbonisation.

The commitment to innovation is increasingly embedded across the organisation. The programme for the adoption of Artificial Intelligence and GenAI, already an integral part of operational processes, has delivered significant progress: predictive models that calculate the life cycle of meters with a high degree of accuracy, algorithms to optimise field interventions and digital platforms that enhance safety, service quality and emissions reduction. We are building infrastructures capable not only of distributing energy but also of learning, anticipating and responding.

We further reaffirmed our role as enablers of the transition with the commissioning of Hyround, the green hydrogen production plant designed and built by Italgas in Sardinia: a pilot project of limited scale that demonstrates how sector coupling is already a reality capable of integrating electrons and molecules, enhancing their complementarity and generating new development paths for local areas. The same approach underpins the growth of biomethane. With plants already connected to the network and others under development, Italgas plays a leading role in a transformation that combines circular economy principles, the enhancement of agricultural supply chains and a reduction in energy dependence on foreign sources.

We have implemented the commitments undertaken in the water sector and in energy efficiency. Digital technologies are also proving decisive in reducing network losses and energy consumption, as well as improving service quality, thereby generating lasting value.

Overall, 2025 was the year in which we further raised the bar of our objectives. Also as a result of the 2i transaction and of the expected synergies, including those achieved to date, economic and financial indicators reflect the Group's strong solidity and its ability to combine growth and sustainability.

We recognise the responsibilities arising from our role and the expectations associated with our daily activities. We will continue to address challenges with determination and vision, confident that Italgas can make a decisive contribution to the country's sustainable development, to security of supply and to a transition that is fair, reliable and competitive.

With total revenues and other income adjusted of 2,484.2 million euro and an adjusted net profit attributable to the Group of 674.5 million euro, 2025 confirmed your Company's steady growth trend. These results were achieved thanks to the contribution of all Italgas people, who successfully combined change with innovation and continuous improvement. These results enable us to propose the distribution of a dividend of 0.432, an increase of 13.3% compared with 2024¹, for the satisfaction of our Shareholders.

PAOLO CIOCCA

Chairperson & Non-Executive Independent Director

PAOLO GALLO

Chief Executive Officer and General Manager

¹The 2024 dividend was adjusted to take into account the so-called "bonus element" of the rights issue, applying the K coefficient announced by Borsa Italiana on 30 May 2025. The percentage change between the 2025 dividend and the 2024 dividend (0.406 euro per share), excluding the adjustment, is 6.4%.

2025 Highlights

Consolidated economic and financial highlights^{2 3}

- **Total revenues and other income 2,535.4 million euro**, +45.7% compared to 2024;
- **Total revenues and other income adjusted 2,484.2 million euro**, +39.7% compared to 2024;
- **Adjusted EBITDA 1,883.4 million euro**, +39.4% compared to the 2024 result;
- **Synergies and efficiency gains for 35 million euro⁴**, 14% of the target by 2031;
- **Adjusted EBIT 1,205.9 million euro**, +46.9% compared to the 2024 result;
- **Adjusted net profit attributable to the Group 674.5 million euro**, +33.1% compared to the 2024 result;
- **Investments 1,203.6 million euro** (887.0 million euro in 2024);
- **Rab 15.7 billion euro**;
- **Cash flow from operating activities 1,625.1 million euro** (1,098.7 million euro in 2024);
- **Net financial debt (excluding the effects of IFRS 16 and IFRIC 12) 10,733.8 million euro** (6,672.3 million euro on 2024);
- **Net financial debt 10,867.8 million euro** (6,762.8 million euro on 2024);
- **Proposed dividend of 0.432 euro per share**, an increase of **+13.3%⁵** compared to the dividend paid in 2025, equivalent to a 65% payout.

Operating highlights⁶

- **Distribution network** laid during the year **960 km** for an overall length of approximately 156,655 km;
- **Municipalities with gas distribution service concessions** increased to 4,338 (2,099 as at 31 December 2024), of which 4,245 operating (2,024 as at 31 December 2024);
- Approximately **12.9 million active re-delivery points** and **the leading European operator**;
- Around **6,300 km of drinking water network** and approximately **2,600 km of sewage network managed**;
- Approximately **6.3 million inhabitants** served directly and indirectly in Lazio, Sicily and Campania through the water transport and distribution network.

² For the economic and financial analyses for the financial year 2025, the company considered the adjusted results, i.e. recurring results net of non-cash components, to be more representative comparing them with the adjusted recurring results for the financial year 2025.

³ The consolidated economic and financial highlights and operational highlights reflect the effects of the consolidation of the 2i Rete Gas Group on 1 April 2025.

⁴ Synergies and efficiency gains are calculated by taking into account the 2023 baseline and on a like-for-like basis, thus including the 2i Rete Gas Group for 12 months.

⁵ The 2024 dividend was adjusted to take into account the so-called "bonus element" of the rights issue, applying the K coefficient announced by Borsa Italiana on 30 May 2025. The percentage change between the 2025 dividend and the 2024 dividend (0.406 euro per share), excluding the adjustment, is 6.4%.

⁶ Considering the affiliates over which Italgas does not exercise control.

Sustainability highlights⁷

- **Market-based Scope 1 and 2 emissions: 114.7 10³ tCO₂eq, -3.8%** - Gas distribution, “like for like”⁸;
- **Net energy consumption⁹: 355.0 TJ, -6.0%** - Gas distribution, “like for like”¹⁰;
- **Gas Leakage Rate¹¹: 0.051%**, compared to **0.069%** – gas distribution, “like for like”¹²;
- **Networks inspected annually for gas leaks into the atmosphere¹³: 183% in 2025** compared with **154%** in 2024 (gas distribution business, 2024 like-for-like basis), 141% in 2025 including the former 2i Rete Gas network;
- **34.3% of women in top management¹⁴**;
- **Combined accident index for employees and contractors¹⁵: 0.073**;
- **50 average hours of training per capita provided¹⁶, +11%** compared to 2024.

⁷Sustainability highlights referring to the scope of the Group's consolidated companies, in line with what is stated in the section related to the scope of the Consolidated Sustainability Report, unless otherwise specified.

⁸ Same scope as 2024. Also considering the contributions of the water service business and the former scope of 2i Rete Gas (151.1 10³ tCO₂eq), total Group emissions in 2025 were 265.8 10³ tCO₂eq.

⁹ This refers to total energy consumption, from which any self-produced electricity consumption is subtracted.

¹⁰ Same scope as 2024. Also considering the contributions of the water service business and the former scope of 2i Rete Gas and the consumption of self-generated renewable energy for the rest of the Group (669.8 TJ), total Group consumption in 2025 was 1024.8 TJ.

¹¹ Calculated as the ratio between fugitive emissions of natural gas and volumes of gas distributed.

¹² Like for like 2024, only Italy.

¹³ Value calculated as the ratio between the linear extension of the networks inspected in the calendar year and the total extension of the Group's gas networks.

¹⁴ The definition of Top Management includes the levels -1 and -2 reporting to the Chief Executive Officer.

¹⁵ Measured as the product of the frequency index (number of accidents per million hours worked) and severity index (number of days of absence per thousand hours worked) of accidents recorded at Group and contractors level during the year.

¹⁶ The target refers to the scope of the Group companies consolidated as of 31 December 2025. The training hours for personnel from 2i Rete Gas refer to the period from 1 April to 31 December.

Methodological note - Integrated Annual Report 2025

Objectives of the document

The Italgas Group (hereinafter also referred to as “Italgas” or the “Group”) has presented the annual financial report in the form of an Integrated Annual Report (hereinafter also referred to as the “Report” or the “Integrated Report”) as a tool for the reporting of financial and non-financial data. It consists of the Directors’ Report including the Consolidated Sustainability Statement, the Consolidated Financial Statements and the Separate Financial Statements of Italgas S.p.A..

The Separate Financial Statements and the Consolidated Financial Statements have been prepared in accordance with the International Accounting Standards IAS/IFRS issued by the International Accounting Standards Board (IASB) and published in the Official Journal of the European Community.

With this document, the Italgas Group also intends to respond to the provisions of the Legislative Decree 125/2024, issued in order to implement Directive (EU) 2022/2464, which provides for the introduction of the Corporate Sustainability Reporting Directive (CSRD), confirming the sustainability reporting obligation for companies indicated by the Directive itself. This provides for the adoption of the European Sustainability Reporting Standards (ESRS), developed by the European Financial Reporting Advisory Group (EFRAG), to ensure greater comparability and reliability of sustainability information.

The Integrated Annual Report makes it possible to provide stakeholders with an accurate, extensive and transparent report of the Group’s activities, the results achieved and their progress, in addition to the services provided.

A glossary of financial, commercial and technical terms, as well as units of measurement, is available online at <https://www.italgas.it/en/glossary/>.

Reference framework and reporting standards

In relation to the financial information, the Italgas Integrated Annual Report was prepared using the following references:

- International accounting standards (IAS/IFRS);
- Italian Legislative Decree no. 58 of 24 February 1998, as amended (“Consolidated Law on Finance” or “TUF”);
- Regulation (EC) No. 1606/2002;
- Italian Legislative Decree no. 125/2024, implementing Directive (EU) 2022/2464, which includes the European Sustainability Reporting Standards (ESRS).

The document is published annually and is available in the Investors section of the Italgas website (<https://www.italgas.it/en/investors/reports-and-presentations/>).

Financial consolidation scope

As at 31 December 2025, Italgas exercises control (directly or indirectly) and fully consolidates Italgas Reti, Medea, Acqua Campania, Laboratorio Acqua Campania, IG Rete Dati, Cilento Reti Gas, Toscana Energia, Nepta, Idrolatina, Idrosicilia, Geoside, Bludigit, Italgas Newco, Enaon and Enaon EDA.

The jointly controlled companies Metano Sant'Angelo Lodigiano and Servizi Energetici IG, as well as the associates Umbria Distribuzione Gas, Gesam Reti, Energie Rete Gas, Siciliacque, Acqualatina and Melegnano Energia Ambiente, are accounted for using the equity method, while Reti Distribuzione and Picarro are measured at fair value.

Changes in the scope of consolidation are illustrated under the Chapter entitled Italgas Group Structure as at 31 December 2025.

Reporting scope of the Consolidated Sustainability Statement

The reporting boundary of the Consolidated Sustainability Statement refers to the companies consolidated using the line-by-line method indicated in the previous paragraph. For the companies over which the Group has operational control¹⁷, namely the companies Siciliacque and Acqualatina, the document includes information on market-based Scope 1 and Scope 2 (as required by the CSRD) GHG¹⁸ emissions and the Group targets related to consumption, market-based Scope 1 and Scope 2 GHG emissions.

Reporting process

Preparation of the Italgas Integrated Annual Report involved across-the-board engagement of all Italgas Group companies, departments and divisions and the performance of the following activities:

- identification of the reporting boundary for financial and sustainability information;
- preparation and analysis of the double materiality required by the CSRD;
- collecting and consolidating the data and preparing the draft Integrated Annual Report;

The process is completed with the approval (on 03 March 2026) by the Board of Directors of the Integrated Annual Report and the Draft Financial Statements as at 31 December 2025 and the subsequent approval, which will take place on 21 April 2026, by the Shareholders' Meeting of the Financial Statements, supported by the reports of the independent auditing firm appointed.

¹⁷ In compliance with DR E1-6 "Gross Scopes 1, 2, 3 and total GHG emissions". Operational control (over an entity, site, operation or asset) occurs when the enterprise has the ability to direct the activities and operational relationships of the entity in question.

¹⁸ Greenhouse Gas, hereinafter GHG.

In particular, the reports issued by the auditing firm Deloitte & Touche S.p.A. are included in this document, and are as follows:

- Report of the independent Auditors on the limited review of the consolidated sustainability reporting pursuant to Article 14-bis of Legislative Decree No. 39 of 27 January 2010;
- Reports in accordance with Article 14 of Italian Legislative Decree no. 39 of 27 January 2010 and Article 10 of Regulation (EU) No 537/2014, drawn up in relation to the financial information in the Consolidated Financial Statements and Financial Statements.

1. Italgas profile

1.1 Corporate identity

The Italgas Group is the leading operator in natural gas distribution in Italy and Greece. At the end of 2025, through its companies¹⁹, it manages 156,655 kilometres of medium- and low-pressure gas distribution network, through which it distributed 11,409 million cubic metres of gas in 2025 to 12,867 million customers (re-delivery points). The service is provided in 4,193 Municipalities under concession in Italy and 145 in Greece, with a long-standing presence in major Italian cities, including Turin, Venice, Florence, Naples and Rome.

With 189 years of history, Italgas is now a global benchmark in terms of innovation and digitisation. In 2025, the Group reached a historic milestone in its long and distinguished history: with the acquisition of 2i Rete Gas, it became the leading European operator in the gas distribution sector.

With the 2025-2031 Strategic Plan, presented in October 2025, the Group confirmed its commitment to innovation, applied across all industrial and process areas, enabling it to anticipate future trends and translate them into key actions for the energy transition. The most advanced digital and artificial intelligence solutions are and will remain the main strategic levers to strengthen not only the gas distribution business but also activities in the water sector and in energy efficiency, two areas in which the Group is a leading player.

The Group's business

The core business of Italgas is the gas distribution, which it carries out as part of the wider national system, involving the distribution of gas on behalf of sales companies authorised to sell the gas to end customers. In addition to the delivery service, carried out using the local pipeline networks from the city-gates (reduction and metering stations interconnected with the transmission networks), the company carries out the metering activity, which includes the collection, processing, validation and provision of consumption data in order to regulate commercial transactions between operators and users.

The operational activities of the gas distribution business are managed by the following subsidiaries:

- Italgas Reti S.p.A. operating nationwide
- Toscana Energia S.p.A. operating in Tuscany
- Medea S.p.A. operating in Sardinia
- Cilento Reti Gas S.r.l. operating in Campania
- Enaon, through its subsidiary Enaon EDA operating in Greece.

¹⁹ It includes the Parent Company, direct and indirect subsidiaries, associated companies and joint ventures.

In Italy, Italgas is subject to regulation by the Italian Regulatory Authority for Energy, Networks and Environment (also referred to as the Authority or ARERA), which defines both how to conduct the service and the tariffs for distribution and metering. The gas distribution business is carried out under concession. An equivalent regulatory function is carried out in Greece by the Regulatory Authority for Energy, Waste and Water (RAEWW).

The Italgas Group also operates:

- in the management under concession of the water service of 5 municipalities in Campania through Nepta S.p.A. and of 38 municipalities in ATO 4 - Lazio Meridionale through Acqualatina S.p.A., in the collection, storage, purification and adduction service in the Region of Sicily through Siciliacque S.p.A., in the collection, purification, adduction and transportation of drinking water in the Region of Campania through Acqua Campania S.p.A;
- in the energy efficiency services sector through Geoside S.p.A., its ESCo (Energy Service Company) specialised in energy consulting and the supply of energy services to both the private residential and industrial sector and the public administration sector;
- in Information Technology activities, through Bludigit S.p.A., a company in which all the Italgas Group's IT activities have been concentrated. This company offers proprietary digital solutions, making the skills and digital solutions developed in-house and by its subsidiary IG Rete Dati S.r.l. available to other operators both in the energy sector and in other sectors.

1.2 External context, markets and Italgas stock

In recent years, the international energy debate has undergone a profound evolution, bringing interconnected issues such as decarbonisation, security of supply and the competitiveness of economic systems to the forefront of the agenda. The intensification of geopolitical tensions and the growing exposure of energy systems to the effects of climate change have highlighted the need for a transition pathway based on reliable and flexible solutions. In this context, the inherent variability of non-dispatchable renewable sources, such as wind and solar, requires the availability of assets capable of ensuring system continuity and stability. Molecules, such as natural gas, biomethane and hydrogen, play a key balancing role during this phase of transition, helping to reduce emissions compared with other fossil fuels while ensuring operational flexibility and energy security. For this reason, developing and upgrading gas infrastructure, including for the progressive integration of renewable gases, is essential to support the path towards climate neutrality without compromising the resilience and competitiveness of the energy system, in line with a pragmatic and technology-neutral approach.

Italgas' strategy aims to develop an efficient and flexible infrastructure capable of accommodating different gases, including renewable gases such as biomethane and green hydrogen, while ensuring continuity of service and safety for all customers served. This is underpinned by the Group's innovation capability and its digital transformation of processes, assets and people, launched as early as 2017.

With a stock market performance of over 300% since its listing (in terms of total shareholder return), Italgas has demonstrated its ability to continue its development and transformation path. It has supported the national economy and contributed to economic recovery through significant technical and acquisition investments amounting to 14.3 billion euro from 2017 to 2025, while playing a leading role in the energy transition process. 2025 represents a turning point in the history of the Group and of the gas distribution market in Italy, marked by the completion of the historic transformative acquisition of the country's second-largest operator, 2i Rete Gas, and its integration in record time, resulting in the Group becoming the European leader in gas distribution.

Macroeconomic scenario and market trends

In financial markets, 2025 marked a more consolidated phase in the dynamics that had emerged in previous years. Inflation rates continued to decline from the peaks recorded in previous years, albeit with differences across geographic areas, consolidating overall and enabling the major central banks to proceed cautiously with the gradual normalisation of monetary policy. However, this phase developed in a context still characterised by high geopolitical uncertainty, linked both to the continuation of regional conflicts and to rising trade and technological tensions at global level.

On the macroeconomic front, global growth showed moderate but uneven resilience. The United States recorded relatively solid performance, supported by consumption and investment related to innovation and large technology companies, while the main emerging economies, in particular India and Brazil, maintained growth rates above the global average. China, by contrast, recorded more moderate expansion, reflecting the persistent fragilities of the real estate sector and a structural rebalancing of its growth model. In Europe, 2025 was marked by weak growth below expectations, weighed down by subdued domestic demand and a fragmented political environment in several key countries.

The gradual but continuous decline in inflation prompted the major central banks to continue easing the restrictive monetary measures introduced from 2022 in response to the inflationary pressures that followed the COVID-19 crisis. In the first half of the year, the European Central Bank (ECB) further reduced its refinancing and deposit rates to 2.0-2.15%, down by 100 bps compared with the reference level at the end of 2024, before suspending further cuts once the 2% inflation target had been reached. The Federal Reserve (Fed) followed a similar approach, albeit with a different timeline, concentrating rate cuts in the second part of 2025 and subsequently adopting a more cautious stance, reflecting the greater resilience of economic data and a partial resurgence of inflation during the summer months. The Fed Funds rate was reduced from 4.25-4.50% at the end of 2024 to 3.50-3.75% at the end of 2025, a decrease of 75 bps.

During the year, the BTP-Bund spread narrowed further, supported by the stability of the Italian political framework and a prudent fiscal approach, in contrast to the growing political uncertainty in some core Eurozone economies, particularly France, and the increases in military spending announced by Germany. The yield on ten-year Italian government bonds remained broadly stable at 3.5% over the course of the year, at its lowest level since 2022, while equivalent German government bonds rose from 2.36% to 2.85%, narrowing the spread to below 70 bps, a level close to the historical lows of the past 20 years.

After 2024, which had been characterised by a significant increase in gas prices in Europe due both to geopolitical tensions and to unfavourable winter weather conditions that reduced regional storage levels, the situation progressively normalised in 2025. This reflected increased import capacity from sources other than Russia, particularly from the southern Mediterranean and through LNG regasification, as well as the gradual easing of geopolitical tensions on the Russian-Ukrainian front following the start of peace negotiations. At the end of 2025, the TTF price, the benchmark index for the European natural gas market, closed below €30/MWh, down 42.5% compared with levels at the end of 2024 and close to pre-crisis levels.

Oil followed a similar trend, declining by around 20% over the course of 2025 and closing at 60 dollar per barrel, showing a steady downward trajectory during the year, apart from a brief upward fluctuation linked to geopolitical escalation in the Middle East in June. The gradual slowdown in economic growth expectations, particularly in China, combined with the decision by OPEC+ members to maintain existing production levels, were the main factors behind the decline in oil prices during 2025.

In Europe, inflation continued its downward trend in 2025, which had already been underway for several years, with a gradual stabilisation close to the target level set by the main economic institutions, closing in December at 1.9% year on year compared with 2.4% recorded in December 2024. In the United States, by contrast, inflation followed a more volatile pattern, declining in the early months of the year due to slower growth and uncertainties related to the implementation of protectionist trade policies and tariffs, followed by a rapid rebound during the summer months driven by higher housing and services costs, before partially retreating towards the end of the year and closing in December 2025 at 2.7%, compared with 2.9% in the same period of 2024.

Geopolitical developments, combined with a partial divergence in monetary policies during 2025, contributed to a depreciation of over 10% in the dollar against the euro, with the EUR/USD exchange rate moving from 1.035 to 1.17, reversing the trend of previous years.

2025 Trend and Italgas share

During 2025, the Stoxx Europe 600 equity index rose by 20.7%, while the US S&P 500 index increased by 17.9% (for both indices, performance is expressed in terms of total shareholder return, i.e. adjusted for dividend distribution and reinvestment²⁰). Market performance was characterised by high volatility in the first part of the year, driven by the introduction of protectionist trade policies and tariffs by the United States, partially reduced compared with the initial announcement. In the second part of the year, markets moved into an upward trend, supported in part by the gradual easing of tensions on some of the main active war fronts, including the Russian-Ukrainian and Israeli-Palestinian conflicts, combined with the overall resilience of the macroeconomic environment and the easing of restrictive monetary policies by the Fed in the United States.

At country level, with an increase of over 38%, Milan's FTSE MIB was among the best-performing national indices in Europe, supported by its greater exposure to the banking sector, which benefited from interest rate dynamics, and by the reduction in perceived political risk thanks to the stability of the current government and a prudent fiscal policy. Among the main European indices, the FTSE MIB was surpassed only by Madrid's IBEX

²⁰ As calculated by Bloomberg.

35 index, which rose by 55.3%, and outperformed all other major eurozone indices, including Frankfurt's DAX, up 23.0%, and Paris's CAC, up 14.3%, the latter negatively affected by prolonged political uncertainty and an increase in perceived country risk due to an excessive budget deficit.

At sector level, the Euro Stoxx Utilities index advanced by over 40%, with utilities ranking as the second-best performing sector in Europe, immediately after banking. This positive performance was mainly driven by favourable interest rate developments and by several sector-specific factors, including the need for a strong acceleration in investment in regulated utilities, made even more evident following the blackout in Spain and subsequently reflected in the business plans of numerous operators in the sector. In the second half of the year, integrated operators benefited from improved expectations for growth in baseload electricity demand from data centre developers, who are also assessing potential development opportunities in Europe. Conversely, the uncertainty linked to the changed geopolitical landscape in the United States, particularly for certain sectors such as offshore wind, negatively affected operators with greater exposure to these technologies in the region. With reference to the gas sector, over the course of the year the sector regained a central role in the energy debate, making it increasingly evident that efficient and secure infrastructure for the transport and distribution of gas is necessary to ensure the stability of energy systems and, at the same time, safeguard the competitiveness and affordability of energy for businesses and households.

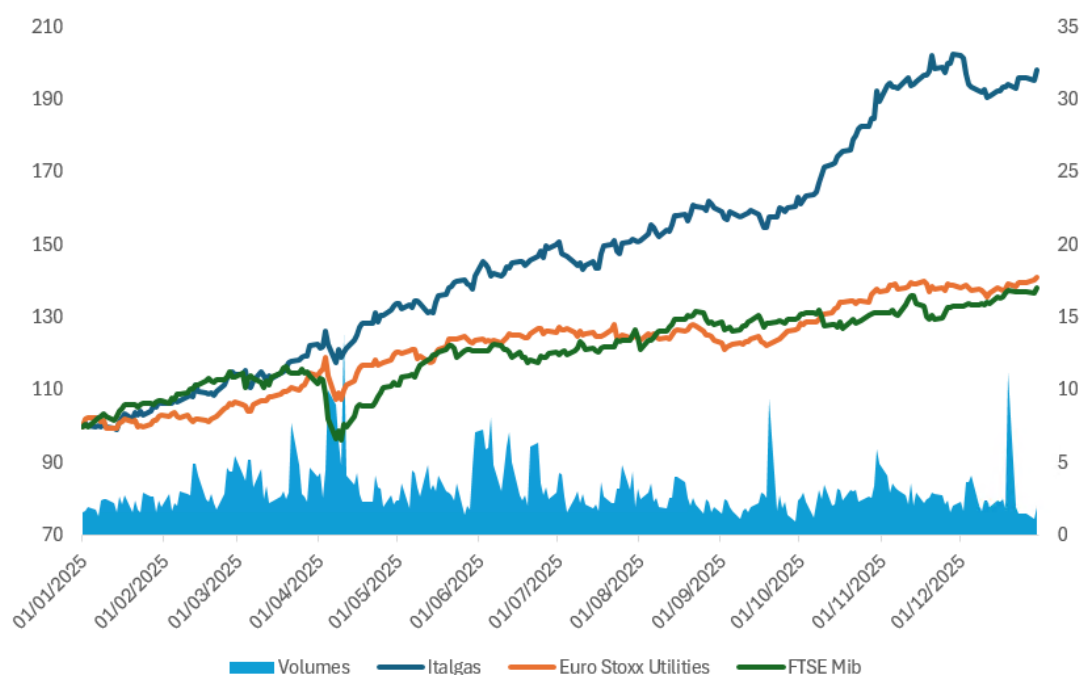
With reference to the other sectors of the Eurozone, the banking sector (+76.7%) once again ranked at the top among the best performers, benefiting from the resilience of the macroeconomic scenario despite the increase in geopolitical tensions, as well as from the favourable movement of interest rates during the year. Also noteworthy was the positive performance of the commodities sector (+32.5%), driven by favourable price dynamics, particularly in industrial and precious metals, resulting from the recovery in industrial demand and rising geopolitical tensions. Among the worst-performing sectors in 2025 were the media sector (-12.8%), affected by long-term structural pressures; the chemicals sector (-4.29%), particularly exposed to trade tariffs introduced in the United States; and the automotive sector (-0.4%), which in Europe continues to be impacted by uncertainty in the regulatory framework related to emissions reduction, combined with increasingly strong competition from Chinese manufacturers.

The Italgas share closed 2025 at 9.515 euro, recording an increase of 98.2%, adjusted for the ex-dividend effect of 0.406 euro per share in May and for the rights issue carried out in June. From the date on which it was listed in November 2016 to the end of 2025, the total shareholder return is 302%²¹.

During the year, the average daily trading volume of the Italgas stock on the electronic market of the Italian Stock Exchange was over 3.1 million shares.

²¹ As calculated by Bloomberg.

Comparison of the quotes Italgas, FTSE MIB and EURO STOXX Utilities (1 January 2025 - 31 December 2025, figures adjusted for dividends)



1.3 Ownership structure

The share capital of the Company as at 31 December 2025 consisted of 1,015,686,402 shares without par value, giving a share capital value of 1,257,354,634.08 euro.

As at 31 December 2025, based on the shareholders' list, the information available and the notices received pursuant to Article 120 of the Consolidated Finance Act, the owners of significant equity investments are represented below.

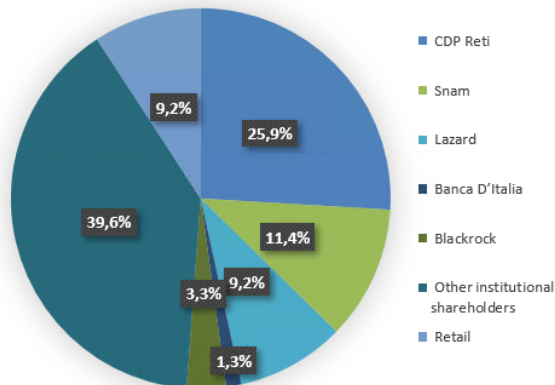
CONSOLIDATING COMPANY	SHAREHOLDERS	% OWNERSHIP
Italgas S.p.A.	CDP Reti S.p.A (*) (**)	25.9
	Snam S.p.A.	11.4
	Lazard LLC	9.2
	Blackrock Inc..	3.3
	Banca D'Italia	1.3
	Other institutional shareholders	39.6
	Retail shareholders	9.2

(*) On 1 August 2019 the Board of Directors of CDP S.p.A., also with a view to considering the control guidelines contained in Consob Communication no. 0106341 of 13 September 2017, reclassified its equity investment in Italgas as de facto control pursuant to Article 2359, subsection 1, no. 2) of the Italian Civil Code and Article 93 of the TUF, exercising control through CDP Reti with, at the time, a 26.05% equity holding and through Snam with, at the time, a 13.50% equity holding. CDP does not exercise direction and coordination activities over Italgas pursuant to Article 2497 et seq. of the Italian Civil Code.

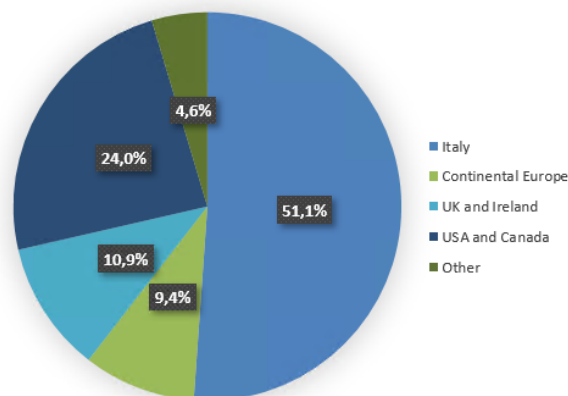
(**) A shareholders' agreement between Snam, CDP Reti and CDP Gas was signed on 20 October 2016, effective from the date of the demerger of Italgas S.p.A. on 7 November 2016. With effect from 1 May 2017, CDP Gas was merged into CDP. Subsequently, on 19 May 2017, CDP sold to CDP Reti, inter alia, its equity investment in Italgas S.p.A., equal to 0.969% of Italgas S.p.A.'s share capital. CDP Reti is 59.1% owned by CDP, 35% by State Grid Europe Limited - SGEL, a company of the State Grid Corporation of China group, and 5.9% by a number of Italian institutional investors. On 1 August 2019, the shareholders' agreement was further updated to take account of the aforementioned re-qualification of the shareholding. The shareholders' agreement is for three years and is automatically renewed for further three-year periods, unless one of the parties gives 12 months' notice. Given such forecast, in

November 2019 and November 2022 the shareholders' agreement was renewed. On 21 March 2023, Snam and CDP Reti signed an amendment to the Italgas Shareholders' Agreement.

Italgas Shareholders by type of investor



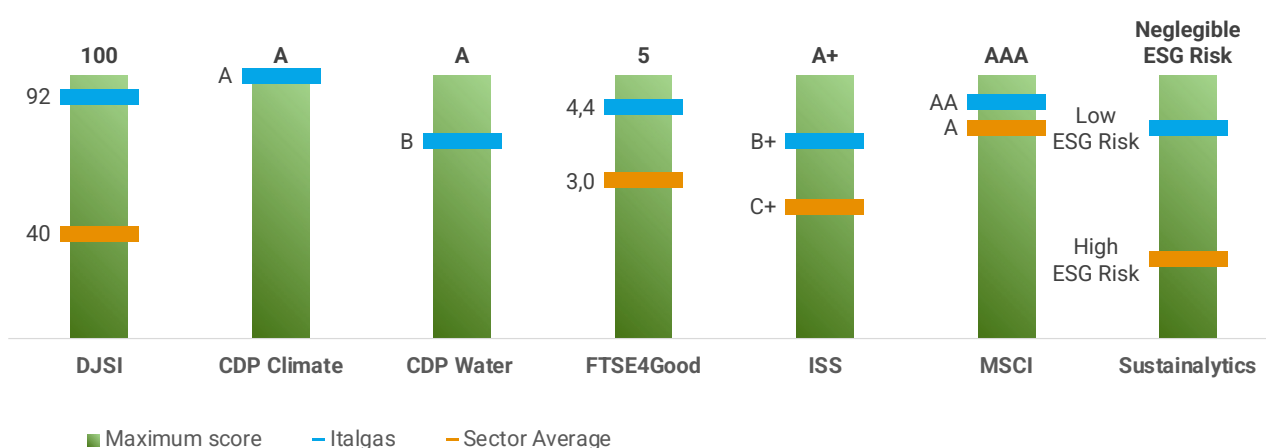
Italgas Shareholders by geographical area



1.4 SRI indexes and ratings²²

The integration between the Strategic Plan and the Sustainable Value Creation Plan is reflected in the commitment to improving all aspects of sustainability, from combating climate change to generating shared value for all stakeholders.

The leading sustainability rating agencies also confirmed the Group among the top performers in its sector in 2025. The Italgas share was included in numerous SRI indices that assess listed companies worldwide which stand out for the consistent achievement of high sustainability performance.



Among the results achieved, in December Italgas improved its score in the Corporate Sustainability Assessment (CSA) questionnaire by S&P Global, increasing it to 92 out of 100 (score date 13 December 2025), ranking first for the fourth consecutive year in the Gas Utilities sector. In February 2025 and February 2026 Italgas was reconfirmed in the Sustainability Yearbook, in the “Top 1% S&P Global ESG Score” category.

CDP (formerly known as the Carbon Disclosure Project) recognised Italgas as one of the companies that stand out internationally for the strategies and actions implemented to combat climate change. In 2025, the Italgas Group was reconfirmed in the “A-list”, among the leaders in the fight against climate change (result based on data acquired through the “Climate Change 2025” questionnaire); regarding the “Water security” section of that questionnaire, the Group obtained a B rating.

Since 2017, the Italgas share has been included in the FTSE4Good index series, where in 2025 it received a sustainable performance score of 4.4 out of a maximum of 5, improving on the previous result and confirming the Company above the average of Italian companies and above the international sector average.

²² Socially Responsible Investing (SRI).

In April 2025, MSCI confirmed the “AA” sustainability rating for Italgas (MSCI ESG Rating), while in May ISS assigned Italgas a score of B+ and Prime rating status under the ISS ESG Corporate Rating. For ISS, Italgas remains the leading utility in the sector.

In August, Sustainalytics confirmed Italgas’ low-risk rating, assigning an ESG Risk Rating of 15.0 (a lower score indicates lower risk). This confirms the assessment of “Low risk” of experiencing material financial impacts from ESG factors.

Since October 2021, the Italgas share has been included in the MIB ESG index, the first blue-chip index in Italy to include companies listed on the Italian market that stand out as “best in class” in the Environmental, Social and Governance (ESG) area. Italgas is also included in the ESG indices of Euronext, MSCI, Bloomberg and Stoxx.

2. Governance and risks

2.1 Governance

The elements underlying Italgas' governance system are highlighted below. More information is provided in the "CSRD" chapter below and is published annually in the Investors section on governance on Italgas' website (<https://www.italgas.it/en/investitori/governance/governance-italgas/>).

Italgas has adopted the so-called traditional administration and control system²³, which envisages the presence of the Board of Directors and Board of Statutory Auditors, in office for three financial years, as well as the Shareholders' Meeting and the Independent auditing firm. The corporate governance system is defined by the Board of Directors in compliance with the provisions of the Italian Civil Code, the regulations to which the Company is subject as a listed Issuer, the unbundling regulations, and the Corporate Governance Code of Borsa Italiana S.p.A., with reference to national and international best practices.

The Corporate Governance Code places growing attention on sustainability issues and requires the Board to guide the company in the pursuit of "sustainable success", creating long-term value for shareholders while considering the interests of stakeholders, rather than shareholders, who have a significant role in guaranteeing the long-term sustainability of the market sector in which the company operates.

For more information please refer to the Report on the Corporate Governance and Ownership Structure of Italgas for the 2025 financial year ("Corporate Governance and Ownership Structure Report"), drawn up pursuant to Article 123-bis of Italian Legislative Decree no. 58 of 24 February 1998 ("TUF") and published on the Company's website <https://www.italgas.it>.

Independent auditing firm

External auditing is entrusted in accordance with the law to an independent auditing firm entered in the relevant register and appointed by the Shareholders' Meeting on the reasoned proposal of the Board of Statutory Auditors. The assignment for the period 2020-2028 was awarded to the independent auditing firm Deloitte & Touche S.p.A. by the Shareholders' Meeting of 12 May 2020.

As statutory auditor, Deloitte & Touche S.p.A. also prepares the declaration of conformity on sustainability reporting in accordance with the provisions of Article 11 subsection of Legislative Decree no. 39/2010.

Shareholders' agreements

As regards the shareholder agreements pursuant to Article 122 of the TUF of which Italgas is aware, two shareholder agreements are currently in force, i.e. the Italgas Shareholders' Agreement, entered into on 20 October 2016 by Snam S.p.A., CDP Reti S.p.A. and CDP Gas S.p.A., and the CDP Reti Shareholders' Agreement, entered into by CDP S.p.A., State Grid Europe Limited and State Grid International Development

²³ In applying the so-called traditional system of administration and control, the one-tier system and the two-tier system do not apply.

Limited on 27 November 2014. For further information on shareholders' agreements, see the Corporate Governance and Ownership Structure Report, as well as the relevant section of the Group's website: <https://www.italgas.it/en/investors/title-shareholding/shareholders-agreements/>.

2.2 Risk Management

Italgas has an Internal Control and Risk Management System integrated into the organisational, administrative and accounting structure and, more generally, a corporate governance system that ensures compliance with the laws and company procedures, protects the company assets and contributes to the management of activities, providing solidity to the accounting and financial data processed.

The Enterprise Risk Management (ERM) Department oversees the integrated enterprise risk management process for all Group companies. The main objectives of ERM are to define a homogeneous and transversal risk assessment model, identify priority risks, ensure consolidation of the mitigation actions and develop a reporting system. The ERM methodology adopted by the Italgas Group is in line with the reference models and the existing international best practices (in particular, the 2017 COSO framework related to Enterprise Risk Management, issued by the Committee of Sponsoring Organizations of the Treadway Commission, and ISO 31000:2018). The process for the identification, assessment, measurement and management of the risks is carried out at least annually on the basis of the relevance of the risk and any changes in context. With reference to strategic risks, the ERM Department, in coordination with all relevant departments, carries out a specific in-depth analysis of risks, opportunities and uncertainties related to the Strategic Plan. The analysis allows estimation of the overall volatility of the defined economic and financial targets and evaluation of the level of resilience of the Strategic Plan. The "Strategic Plan" document, which has been approved by the Board of Directors of Italgas S.p.A., contains the output of this analysis. The Enterprise Risk Management Department draws up specific reports on the identification, assessment and management of risks and shares them with the different company levels. The risks are updated once a quarter, half-year or year, depending on their relevance. The results found in relation to the main risks and related management plans are presented to the Control and Risk and Related Party Transactions Committee at each updating. Moreover, the mapping of risks and the relative management strategies are presented periodically to the Board of Statutory Auditors and the Supervisory Body of Italgas and to the Boards of Statutory Auditors and the Supervisory Bodies of the Subsidiaries.

The Officer Responsible and the Internal Audit department periodically receive the results of the risk assessments performed by the ERM department. The table below shows the main risks mapped in the ERM process being monitored and the main management methods.

Category	Risk	Description	Main methods of management
Strategic/business-related	Changes in regulation and legislation	Risk of changes in the regulatory and institutional context in Europe or nationally. Risk of a penalising update of the rate of return on net invested capital recognised by the Regulator.	- Active participation in the consultations called by the Regulator - Active participation in consultations called by the Italian Government or by European Community organisations on relevant topics - Guidance aimed at defining unified trade positions
Strategic/business-related	Climate Change	Physical risk: increased frequency of extreme natural events. Emerging risk ²⁴ : Physical risk: increase in average temperatures. Emerging risk: Transition risk: change in the legal and regulatory environment for greenhouse gases. Emerging risk: Transition risk: technological evolution that may have a negative impact on the number of active re-delivery points served.	- Countermeasures as described in the "Service continuity: malfunctioning, accidents or extraordinary events" risk - Targets for reducing net greenhouse gas emissions (Net Carbon Zero target by 2050) and net energy consumption - Use of Picarro Surveyor technology - Process of transforming the network into digital infrastructure to enable the distribution of gases other than methane, such as hydrogen, biomethane and e-gas - Joining the UN Global Compact and the OGMP 2.0 of the UNEP - Carrying out energy efficiency projects and investments in the water and energy efficiency sectors - Actions intended to promote the development and dissemination of biomethane and power-to-gas technology
Strategic/business-related	Risks associated with the development and awarding of area tenders for the gas distribution service	Risk of not being awarded concessions in the planned areas or being awarded concessions with less favourable conditions. Risk of legal and/or arbitration disputes deriving from the complexity of the legislation that governs the expiry of the concessions held by Italgas. Risk that the redemption value of the concessions for which, following the assignment process, a third party is an assignee is lower than the value of the RAB.	- The existing legislation states that, in the event of failure to be awarded concessions previously managed, the outgoing operator is entitled to the redemption value for the networks it owns - Monitoring of legislative changes and evaluation of the potential impacts on the tender process - Planning of the Tender calendar and the bidding strategy integrated into the Group's Strategic Plan - Critical analysis of the quality of the tender bid and implementation of improvement measures, including through use of external experts, organisations and universities
Strategic/business-related	Worsening of the geopolitical context	Risk of negative changes in the geopolitical context and/or atypical events with potential tensions on the financial markets, impacts on operating continuity and/or on health and safety of staff and/or on the supply chain.	- Group Security Operation Center (G-SOC) and central platform for correlation of information from security systems - Travel security and operational intelligence platform - Integrated Security Cloud Command Center and Physical Security Information Management - With reference to the Russia-Ukraine, Israel-Palestine conflicts and the geopolitical and military tensions in the Persian Gulf area, the absence of production activities, personnel and first- or second-tier suppliers in the areas concerned is confirmed, and no significant critical issues are reported in view of Ukraine's decision not to renew the Russian gas transit agreement
Financial	Credit Risk	Risk of potential losses arising from counterparties failing to fulfil their obligations or delayed payment of amounts owed.	- Rules for user access to the gas distribution service established by the Regulator and set out in the Network Codes - Strong reliability of gas distribution customers as at 31 December 2025: • in Italy on average 98.0% of trade receivables are settled on the due date and more than 99.7% within the next 4 days • in Greece on average 96.9% of trade receivables are settled on the due date and approximately all within the next 4 days
Financial	Changes in interest rates, inflation and deflation	Risk of fluctuations in interest rates. Risk that inflation remaining below the Group's forecasts for a prolonged period may have negative effects on the value of the RAB and on expected regulated revenues. Risk of an unexpected increase in the inflation rate.	- High incidence of fixed-rate financial and bond debt (as at 31 December 2025, 79.8% of the gross financial debt was at a fixed rate and 20.2% was at floating rate) - Mix of external financial resources - Monitoring of the main economic and financial indicators

²⁴ Risk for which the potential effects for the company and/or sector refer to a medium to long-term time frame.

Category	Risk	Description	Main methods of management
Financial	Liquidity Risk	Risk that new financial resources may not be available (funding liquidity risk) or that the company may be unable to convert assets into cash on the market (asset liquidity risk), meaning that it cannot meet its payment commitments.	- Countermeasures as described in the "Changes in Interest rate, inflation and deflation" risk - Adequate level of cash held in current accounts and fixed-term deposits with leading banks - The EMTN programme, in addition to funding from the banking system, which presently allow issue of the remaining bonds worth a nominal 5.0 billion euro to be placed with institutional investors
Financial	Credit rating risk	Risk of a downgrade in Italgas' credit rating due to worsening in the economic and financial parameters or due to a downgrade of the rating of the Italian Republic.	- Countermeasures as described in the "Changes in Interest rate, inflation and deflation" risk - Constant dialogue with rating agencies
Financial	Debt covenant and default risk	Risk of failure to comply with financial covenants for existing loans (in some cases only when this is not remedied within a set time period), which could result in Italgas' failure to comply and could trigger the early repayment of the related loan.	- Absence of financial covenants and/or collateral in the loan agreements (as at 31 December 2025, there were no loan agreements with these characteristics, except for the EIB loan taken out by Toscana Energia, for a nominal amount of 45 million euro, which requires compliance with certain financial covenants). - Monitoring of compliance with contractual clauses (negative pledge undertakings, pari passu and change of control clauses, limitations on some extraordinary transactions that the Company and its subsidiaries may carry out) (as at 31 December 2025, these commitments appear to have been respected)
Operational	Anomalies in smart meter performance	Risk of increased levels of malfunctioning of remote-reading meters with lost/failed reading of the use and/or requiring replacement or regeneration.	- Adoption of Nimbus, the new generation smart meter - Maintenance of an adequate fund to cover malfunctions - Issue of adequate guarantees by suppliers - Resolution ARERA/DINE 01/2023 which requires, for G4/G6 smart meters produced by 2016 and installed by 2018, the recognition of the residual tariff value - Audits on suppliers and supply tests
Operational	Service continuity: malfunctioning, accidents or extraordinary events	Risks of malfunctioning and unforeseeable distribution service disruptions from unintended events, such as accidents, breakdowns or malfunctioning of equipment or control systems, the underperformance of plants, and extraordinary events such as explosions, fires, earthquakes, landslides or other similar events beyond Italgas' control.	- Third Party Liability Insurance and Asset Protection coverage - Communication campaigns, training and meetings to raise awareness - Command and Control Centre for Plants and Networks (CIR) - DANA (Digital Advanced Network Automation), network command and control system - Smart Maintenance: GIS model for the intelligent maintenance of Italgas networks - Scheduled gas leakage detection
Operational	Cyber attacks	Risks of cyber attacks on the IT (Information Technology), OT (Operational Technology) and IoT (Internet of Things) sectors.	- Cybersecurity insurance coverage - Bludigit ISO 27001 certification - Security measures to protect endpoints, access, information - Specific training on cyber risks - Phishing simulations for the Group's employees - Secure Product Development Lifecycle process, regular IT and OT vulnerability assessment and penetration tests - Real-time monitoring of IT and OT systems using the Security Information and Event Management (SIEM) - Leading sector suppliers with maximum levels of security defined and monitored - "Cybersecurity Awareness for third parties" - Cyber Threat Intelligence
Operational	Risks associated with the health and safety of people and environmental protection	Risk of incidents and/or injuries involving employees and partner companies. Risk that Italgas may incur costs or liability, including to a significant extent, arising from any environmental damage. Risks associated with the spread of pandemics or new diseases.	- Insurance policies for "individuals" - HSE system certified according to international legislation - Monitoring of HSE legislation - Digital applications for reporting and recording "near misses" and for waste management - Communication campaigns and HSE awareness meetings and training sessions also with suppliers/contractors on HSE topics and for creating standardised operating procedures - Internal procedures providing for specific measures against suppliers/contractors in the event of non-compliance in the HSE field - Audits on contractors during qualification and activities

Category	Risk	Description	Main methods of management
			- Activities to promote health and well-being - Specific actions for remediation activities, such as risk provision and audits of sites undergoing remediation, both internal and by third parties
Operational	Risks associated with human resources	Risks associated with the development of human resources, including resources in key roles leaving, lack of technical and specialist know-how, increase in the age of company personnel, drop in the level of satisfaction and/or increase in workplace disputes.	- Top Employers certification - Italgas Academy, Training courses in partnerships with universities, Multimedia platform with training initiatives - Knowledge transfer system - I-Grow Programme and Smart Rotation System - Succession plan for senior roles - UNI/PdR 125:2022 certification for gender equality - Survey on climate extended to all Group employees - Welfare system
Operational	Risks associated with the quality and level of service	Risk of non-compliance of the commercial levels of service for services to sales companies and/or risk of delayed or partial compliance with the obligations assumed.	- Continuous monitoring of Key Performance Indicators - Software for digital oversight of the investment process - Surveys at sales companies - Mapping the existing concession obligations, monitoring and activating for prompt interventions - Constant dialogue with contracting parties
Operational	Supply chain risks	Risks associated with the availability and cost of materials, services and supplies, the operating capacity and scalability and the reputational and compliance reliability (including respect for human rights) of the suppliers and contractors of the Group.	- Planning of procurement, analysis and monitoring of department KPIs - Economic-financial, reputational verifications and on-site technical and ESG checks for the Qualification purposes and ESG for Suppliers deemed Critical/Strategic - "Supplier Code of Ethics" - Standardised tender processes and regulations - ESG reward criteria during the tender phase, ESG audits and implementation of the Action Plan - Anti-mafia audits in tender procedures relating to special sectors - Supplier performance evaluation, including in terms of sustainability - Procurement diversification and scouting activities for innovative assets, produced with alternative materials
Operational	Unpredictable developments in commercially available artificial intelligence solutions	Emerging risk whose potential effects for the Company and/or the industry refer to a medium to long-term time horizon, associated with the evolution of AI models (Machine Learning and Generative Artificial Intelligence) commercially available, whose time-to-market and functionalities may be unforeseeable, and with the adoption and use by the Group.	- Presence of a dedicated department (Group Artificial Intelligence Office) aimed at leading the transformation, coordinating the various stakeholders involved in the deployment, overseeing the implementation and coordinating the digital transformation of the Group's activities - Model training during the development phase and periodically updated - Testing during the development phase - Monitoring of model performance level in terms of accuracy and reliability
Legal and non-compliance	Risk of non-compliance and legislative changes	Risk of non-compliance with legislation at European, national, regional and local level with which Italgas must comply in relation to the activities that it carries out and/or risk of failure to intercept and transpose new regulations falling under the scope of application	- Internal control and risk management system and areas of responsibility defined in terms of compliance - Code of Ethics, Model 231, Policy for the prevention of and fight against corruption, ISO 37001 anti-bribery certification - ISO 37301 compliance system certification - Training for personnel on compliance issues - Analysis and monitoring of the reputational requirements of the Group's counterparties - "Supplier Code of Ethics"
Legal and non-compliance	Difficulty of the supply chain in complying with future ESG regulatory standards	Emerging risk whose potential effects for the Company and/or the industry refer to a medium-term time horizon, associated with the worsening of ESG performance in the supply chain, due to the potential difficulty for the Group's suppliers to adapt and comply with future ESG regulatory requirements. Given the relevance of Small and Medium-Sized Enterprises in our supply chain, the risk is to be meant as the potential difficulty in finding suppliers with ESG standards aligned with future regulatory evolutions (e.g. CS3D and CBAM).	- ESG reporting is a mandatory requirement in the Group's supplier qualification process - Assessment and development plans for strategic suppliers - Periodic monitoring of suppliers with a focus on ESG - Training and awareness programmes for suppliers on ESG topics

2.3 Internal control system

In order to ensure the correctness²⁵, accuracy²⁶, reliability²⁷ and timeliness of the information communicated to shareholders and the market, Italgas is committed to promoting and maintaining an adequate Corporate Reporting Internal Control System (hereinafter also referred to as the “SCIS”). The SCIS represents the set of all instruments necessary or useful to guiding, managing and verifying the corporate business.

The Corporate Internal Control System adopted by Italgas and its subsidiaries was defined in accordance with the provisions of the above-mentioned Article 154-bis of the TUF that Italgas is required to ensure compliance with, and is based in methodological terms on the “COSO Framework” (“Internal Control - Integrated Framework”, issued by the Committee of Sponsoring Organisations of the Treadway Commission), the international reference model for the establishment, updating, analysis and assessment of the control system in respect of both financial information and sustainability reporting.

The design, establishment and maintenance of the Corporate Reporting Internal Control System are guaranteed through scoping, identifying and assessing risks and controls (at corporate and process level, through risk assessment and monitoring activities), and the relevant information flows (reporting).

The control system structure provides for entity-level controls (CELCs - Company Entity Level Controls) which apply across the entire entity in question (Group/individual company), and process-level controls (PLCs). It also includes pervasive controls performed on the management activities of corporate IT systems (ITGC – Information Technology General Controls) and controls governing the criteria for the segregation of duties and responsibilities of employees (SOD – Segregation of Duties).

The controls, both at the entity level and process level, are subject to regular evaluation (monitoring) to verify the adequacy of the design and actual operability over time. For that purpose, there is provision for ongoing monitoring activities, assigned to the management responsible for the relevant procedures/ activities, as well as independent monitoring assigned to Internal Audit, which operates according to an annual plan agreed with the Officer responsible for the preparation of financial reports (DP), which aims to define the scope and objectives of its actions through concerted audit procedures.

Italgas regulatory system

The Regulatory System is characterised by a tiered structure, corresponding to different types of regulatory instruments. Each regulatory instrument is applied with reference to the processes defined in the map of Group processes.

The By-Laws, Code of Ethics, Model 231, Certified Management Systems and other compliance models constitute the general reference framework of the Group's Regulatory System, because the inspiring principles are recognised as founding principles of the behaviour the personnel of the Italgas Group and, therefore, form part of the general reference framework of the entire Regulatory System. These regulatory tools are part of the

²⁵Reporting reliability: reporting that is correct, complies with generally accepted accounting standards and fulfils the requirements of the applicable laws and regulations.

²⁶Disclosure accuracy: error-free information.

²⁷ Reporting reliability: reporting that is clear and complete that would enable investors to make conscious investment decisions.

efficient handling of the Direction and Coordination activities performed by Italgas concerning Subsidiaries and, where envisaged, they are subject to regular delivery to, and/or formal adoption by, the Boards of Directors of the Subsidiaries.

The regulatory system also includes as an integral part thereof, documents belonging to certified management systems in the areas of health, safety, environment, quality, energy, anti-corruption and, finally, integrated compliance, all in accordance with the international ISO standard.

The elements of the Group's Regulatory System are as follows:

Italgas Enterprise System (IES) - constitutes the guide and reference for the Group's organisation and operation;

Policies - regulatory instruments drawn up for specific issues that contain declarations of intent, define reference principles and identify behaviours that each Group company must adopt, share and promote;

Quality Manuals and Plans - regulatory instruments drawn up, where necessary, in accordance with the requirements of the specific reference standard and that describe the processes, activities, reference structure, departments involved and related responsibilities with which the Certified Management Systems achieve their objective and direct their work processes.

Regulations – regulatory instruments that, depending on their specificity, can:

- define regulatory rules across several business processes in order to implement provisions issued, for instance, by the Legislator, independent authorities or Certification Bodies or best practices;
- define, with a more or less operational level of detail, the roles, responsibilities and activities of the various Departments involved in the individual business processes.

Regulatory circulars - regulatory instruments that regulate or expand on specific issues, including those of temporary significance. They provide indications, including of a prescriptive nature, concerning:

- conduct to be adopted in the performance of specific activities typically falling within the competence of a single Department or Business Unit;
- provisions of a contingent/transitory or in any case residual nature that cannot be directly/immediately regulated through dedicated regulations.

The day-to-day implementation of policies is ensured through the general rules dictated by the Italgas Enterprise System and by organisational and regulatory instruments that specify the responsibilities and operating methods to be followed by each process owner. In particular, the responsibility for implementing the commitments is set out in the Organisational Notices within the missions of the individual organisational structures of each Group Company, whereas the process aspects are incorporated within the individual company procedures on the basis of an intricate map of Group processes.

2.4 Ethics and compliance

The Italgas Group operates on the basis of a Corporate Management System comprising an Organisational System and a Regulatory System that defines roles, responsibilities, powers and rules of conduct to be upheld in going about the corporate business. The Corporate Management System is updated continuously with a view to guaranteeing the effectiveness and efficiency of processes, safeguarding the company's assets and ensuring compliance with legislation, thereby allowing Italgas to also direct the management and coordination of the subsidiaries.

Fairness and transparency in business management are not only aimed at the implementation of a correct management model and dialogue with stakeholders, but also at the prevention of unlawful acts.

The Code of Ethics

On 14 December 2023, the Italgas S.p.A. Board of Directors approved the update of the Code of Ethics (general essential principle of the 231 Model adopted by Italgas and by the Group companies in accordance with Italian Legislative Decree no. 231/2001) in order to optimise the Italgas Group commitment to protecting cultural and landscape heritage. The Code of Ethics is available on the Company's website (<https://www.italgas.it/en/investors/governance/business-ethics/ethical-code/>) sets out the values recognised by the Group.

The Supervisory Bodies of each Group company, reporting on a half-yearly basis to the Control and Risk and Related Party Transactions Committee and the Board of Statutory Auditors on the implementation and need for update of the Code of Ethics, act as the "Guarantors" of the Code of Ethics. In addition, the Code of Ethics is also subject to periodic external audits conducted by independent bodies on the implementation of the Company's internal management systems (e.g. Anti-Bribery Management System, certified in accordance with UNI ISO 37001:2016).

Since March 2023, the Greek companies Enaon and Enaon EDA have also adopted the Italgas Code of Ethics.

Organisational and management model pursuant to Italian Legislative Decree no. 231/2001

In accordance with Italian Legislative Decree no. 231/2001, Italgas has adopted its own Model 231 aimed at mitigating the risks of committing the offences referred to in the aforementioned decree. Model 231, periodically updated in line with regulatory and/or organisational changes, is intended for members of the corporate bodies, management and employees of Italgas, as well as for all those operating to achieve Italgas' objectives.

The General Section of the Model was most recently approved by the Board of Directors on 25 July 2023, while the Special Section of the Model was most recently approved by the Board of Directors on 21 January 2025 in order to reflect the Company's current organisational structure and scope of activities, including following recent corporate acquisitions, as well as regulatory changes affecting Legislative Decree no. 231/2001, which is available on the Company's website (<https://www.italgas.it/en/investors/governance/administrative-responsibility-231/>).

In application of its Model 231, Italgas appoints a Supervisory Body consisting of three external members, one of whom, acting as Chairperson, was chosen from scholars and professionals with proven expertise and experience on legal, corporate and economic issues and corporate organisation.

The term of office of members of the Supervisory Body is aligned with that of the Board of Directors which appointed them. The term of office of the members expires on the date of the Shareholders' Meeting called for the approval of the financial statements for the last year of their office, although they continue to carry out their functions over the ad interim period, until new members of the Supervisory Body are appointed.

Each subsidiary adopts and updates its own 231 Model (available for consultation on the website), taking into account the indications and implementing methods defined by Italgas S.p.A..

Certified management systems and accreditations

Italgas promotes the adoption of management systems for the Group's companies, structured and implemented in accordance with the requirements of the relevant international standards.

The Management Systems of the Group companies pursue continuous improvement in the following main areas:

- the ability to regularly provide products and services that meet the applicable mandatory requirements and customer requirements while improving satisfaction levels;
- their environmental performance with a view to protecting the environment;
- the prevention of work-related injury and illness, by preparing healthy, safe workplaces and ensuring people's health and safety (employees, end customers, contractors, etc.);
- their energy performance by promoting the efficient use of energy, while reducing consumption and optimising its end use;
- activities and measures to prevent and combat corruption, to manage integrated compliance and the

whistleblowing system;

- measures intended to guarantee gender equality in the work environment;
- measures and controls intended to guarantee information security.

To verify compliance of the Management systems with the requirements set by the standards, Italgas uses the DNV and Certiquality Certification Bodies, which, in 2025, carried out the relevant audits and issued the relevant certificates, or the relevant maintenance. The Companies' accreditations, or of some sectors of such, are verified and issued by ACCREDIA (single accreditation entity).

For the production of meters in 2025, Italgas Reti obtained MID Module D certification, issued by the Notified Body Tifernogas, which will periodically verify its continued compliance.

According to their corporate purpose and business activities, Italgas Group companies hold the following certifications, attestations and accreditations as of 2025:

CERTIFICATIONS, ACCREDITATIONS AND ATTESTATIONS OF ITALGAS S.p.A.		
Degree of certification coverage	Reference standard	Year of first certification
Company/Group	UNI ISO 37001	2018
Company/Group	UNI ISO 37002	2024
Company	UNI ISO 37301	2024
Company	UNI PdR 125	2023
Company	UNI ISO 45001	2025
Company	UNI EN ISO 9001	2025

CERTIFICATIONS AND ACCREDITATIONS OF ITALGAS RETI S.p.A.		
Degree of certification/accreditation coverage	Reference standard	Year of first certification/accreditation
Company	UNI CEI EN ISO 50001	2012
	UNI EN ISO 14001	2001
	SOA	2001
	UNI ISO 45001	2019 ¹
	UNI EN ISO 9001	1996
	UNI ISO 37001	2018
	UNI ISO 37002	2024
Calibration laboratory	UNI CEI EN ISO/IEC 17025	2009
Test laboratory	UNI CEI EN ISO/IEC 17025	1994
Type C Inspection Body	UNI CEI EN ISO/IEC 17020	2014
Company	MID CERTIFICATE FORM D	2025

CERTIFICATIONS, ATTESTATIONS AND ACCREDITATIONS OF TOSCANA ENERGIA S.p.A.		
Degree of certification/accreditation coverage	Reference standard	Year of first certification/accreditation
Company	UNI CEI EN ISO 50001	2017
	UNI EN ISO 14001	2003
	UNI ISO 45001	2019 ²
	UNI EN ISO 9001	1998
	UNI ISO 37001	2020
	UNI ISO 37002	2024
	SOA	2001
Type C Inspection Body	UNI CEI EN ISO/IEC 17020	2016

CERTIFICATIONS OF MEDEA S.p.A.		
Degree of certification coverage	Reference standard	Year of first certification
Company	UNI CEI EN ISO 50001	2021
	UNI EN ISO 14001	2021
	UNI ISO 45001	2021
	UNI EN ISO 9001	2021 ³
	UNI ISO 37001	2020
	UNI ISO 37002	2024

CERTIFICATIONS OF NEPTA S.p.A.		
Degree of certification coverage	Reference standard	Year of first certification
Company	UNI CEI EN ISO 50001	2021
	UNI EN ISO 14001	2021
	UNI ISO 45001	2020
	UNI EN ISO 9001	2020
	UNI ISO 37001	2020
	UNI ISO 37002	2024

CERTIFICATIONS AND ATTESTATIONS OF GEOSIDE S.p.A.		
Degree of certification coverage	Reference standard	Year of first certification
Company	UNI CEI EN ISO 50001	2022
	UNI EN ISO 14001	2021
	UNI ISO 45001	2021
	UNI EN ISO 9001	2021 ⁴
	UNI ISO 37001	2020
	SOA	2022
	UNI ISO 37002	2024
	UNI CEI 11352	2015
	F-GAS (Italian Presidential Decree 43/12)	2013
	UNI PdR 125	2024
	SA8000	2007

CERTIFICATIONS OF BLUDIGIT S.p.A.		
Degree of certification coverage	Reference standard	Year of first certification
Company	UNI ISO 45001	2022
	UNI EN ISO 9001	2022
	UNI CEI EN ISO IEC 27001	2023
	UNI ISO 37001	2022
	UNI ISO 37002	2024

CERTIFICATIONS OF IG RETE DATI		
Degree of certification coverage	Reference standard	Year of first certification
Company	UNI ISO 45001	2023
	UNI EN ISO 9001	2023
	UNI EN ISO 14001	2023

The Enaon Group adapted its Integrated Management System following the merger of the Distribution Companies, in accordance with the requirements of the international standards of reference and the legal and regulatory requirements, as well as taking into account its own operational needs. The following table shows the certifications held by Enaon and Enaon EDA:

CERTIFICATIONS OF ENAON S.A.		
Degree of certification coverage	Reference standard	Year of first certification
Company	ELOT ⁵ ISO 37001	2024
	ELOT ISO 37002	2025
	ELOT ISO 37301	2025
	EN ISO 9001	2025
	EN ISO 14001	2025
	EN ISO 45001	2025

⁴ Since 2014 for the Bologna site only

⁵ Hellenic Organisation for Standardisation

CERTIFICATIONS OF ENAON EDA S.A.		
Degree of certification coverage	Reference standard	Year of first certification
Company	EN ISO 9001	2023
	ELOT EN ISO 14001	2023
	ELOT ISO 45001	2023
	ELOT EN ISO 50001	2023
	ELOT ISO 37001	2023
	ELOT EN ISO 37002	2025

For water associates, the relevant certifications are listed below:

CERTIFICATIONS OF ACQUA CAMPANIA S.p.A.		
Degree of certification coverage	Reference standard	Year of first certification
Company	UNI EN ISO 9001	2001
	UNI EN ISO 14001	2024
	UNI ISO 45001	2017
	UNI CEI EN ISO 50001	2020

CERTIFICATIONS OF ACQUALATINA S.p.A.		
Degree of certification coverage	Reference standard	Year of first certification
Company	UNI EN ISO 9001	2006
	UNI EN ISO 9001 (legal)	2017
	UNI EN ISO 14001	2010
	UNI ISO 45001	2019
	UNI CEI EN ISO 50001	2017
	UNI ISO 37001	2019
	UNI CEI EN ISO/IEC 17025	2018

CERTIFICATIONS OF SICILIACQUE S.p.A.		
Degree of certification coverage	Reference standard	Year of first certification
Company	UNI EN ISO 9001	2007
	UNI EN ISO 14001	2012
	UNI ISO 45001	2009
	UNI CEI EN ISO 50001	2011
	UNI CEI EN ISO/IEC 17025	2019

Anti-corruption

The Italgas Group actively cooperates in preventing and opposing, without exception, any form of corruption, public or private, active or passive, direct or indirect, both nationally and internationally.

In this context, Italgas adopts and implements specific measures to prevent and combat corruption risks potentially connected to company activities, including:

- the Model 231;

- the management System for preventing and combating corruption in compliance with the UNI ISO 37001:2016 standard ("Anti-Bribery Management Systems");
- the Corporate Compliance Policy, which defines, among other things, the objectives and principles of the Anti-Bribery Management System;
- the Anti-Corruption Compliance Standard, which provides a systemic overview of reference of the regulatory tools adopted by Italgas to prevent and fight corruption;
- the Compliance Standard "*Reports received by Italgas and its Subsidiaries*" which governs the process for handling reports, including anonymous reports.

Adherence to and compliance with the anti-corruption measures adopted by Italgas is required of all stakeholders with whom the Group has relations, including employees, suppliers, intermediaries, business partners etc.

During 2025, no incidents of corruption were recorded.

Whistleblowing

Italgas S.p.A. and the subsidiaries Italgas Reti, Toscana Energia, Medea, Geoside, Bludigit, Nepta and the jointly controlled company Metano Sant'Angelo Lodigiano, were awarded a certificate of compliance of the Whistleblowing Management System with technical standard UNI ISO 37002:2021 on 18 September 2024 by the certification body DNV-GL Business Assurance Italia S.r.l.

This recognition certifies compliance with regulations and best practices and demonstrates the Group's ongoing commitment to a corporate culture based on transparency, ethical governance and the prevention of offences.

Compliance

Italgas S.p.A. achieved certification of its Compliance Management System pursuant to technical standard UNI ISO 37301:2021 on 17 December 2024, awarded by certification body DNV-GL Business Assurance Italia S.r.l..

The Management System implemented allows Italgas to adopt a structured and integrated approach to the management of risks of non-conformity and non-compliance, in relation to all areas of compliance identified, so that company activities can take place in accordance with the applicable legislation.

Conflict of Interest

The Board of Directors periodically assesses the independence and integrity of the Directors and verifies that there are no grounds for ineligibility and incompatibility. The Italgas' Board of Directors adopted a procedure which establishes the principles and rules which Italgas and its Subsidiaries should adhere to in order to ensure the transparency and essential and procedural correctness of transactions conducted by Italgas Group companies with related parties or "parties of interest" (the "Italgas Related-Party Transactions Procedure"). For more details, please refer to the Corporate Governance and Ownership Structure Report.

Antitrust

In 2016, the Italgas Group adopted instruments intended to disseminate the culture of compliance in relation to antitrust and consumer protection, including:

- the Antitrust Code of Conduct;
- the Antitrust Unit (within the legal department).

In view of the evolution of the Italgas Group, on 27 July 2020 the Board of Directors approved an “Antitrust” Compliance Standard, which is regularly updated in line with regulatory and case law developments and with the outcomes of the risk assessment conducted (<https://www.italgas.it/en/what-we-do/gas/antitrust-compliance-requirements/>).

In March 2025, antitrust training was delivered to the functions most exposed to the risk of committing antitrust infringements.

Integrated security

The Group has a security system characterised by an active protection approach that can involve and correlate all corporate events from different domains and areas, with the aim of preventing, acknowledging and mitigating potential security incidents (including cyber incidents) from simple signals and evidence.

The Group developed an approach that enables for the integrated management of different information levels and, in particular:

- the level of digital data and IT infrastructures (the “Logical Domain”);
- the level of material assets and staff (the “Physical Domain”);
- the level of information (the “Information Domain”).

As part of the continuous improvement process, during 2025 the Italgas Group introduced new capabilities to strengthen security and verification measures within the Third Party Risk Management framework; among these, digital identity analysis was integrated, understood as the set of publicly available information used to describe a target’s relationships in the digital environment, verify their consistency with official statements and identify further precursors of reputational risk across the entire supply chain.

Digitisation and innovation

Bludigit, the Group’s digital company, drives transformation through cutting-edge solutions such as Nimbus, a sustainable smart meter with over 20,000 prototypes already installed, and the AI Academy, which develops skills by consolidating artificial intelligence as a strategic driver of growth.

On the operational front, the DANA (Digital Advanced Network Automation) system serves as a privileged access point to the IoT world for network monitoring. The platform integrates remote control, AI for document search and pressure optimisation, with new functionalities currently under development, including fluid dynamics and the management of energy efficiency events.

For the water sector, a plan for progressive convergence onto the platform has been launched: to date, 14 out of 15 aqueduct systems have already been integrated, including the main plant signals. The progress achieved lays the foundations for the gradual extension of the platform to the Group’s other water companies.

Finally, through the Digital Factory, Italgas accelerates digital transformation by leveraging the potential of artificial intelligence, with a particular focus on Gen-AI. The Group's first multi-agent system provides autonomous support to colleagues in the use of ICT services, integrating AI tutors directly into applications, conversational agents and request-routing tools. Supporting this journey, AI Gym, the internal continuous learning community, accompanies this evolution by promoting synergy between human and artificial intelligence for the continuous optimisation of corporate performance.

Cybersecurity

The Company has adopted procedures aimed at ensuring adequate information flows from the Chief Security Officer (CSO) to the Board of Directors and the Control Bodies regarding the level of compliance with national and international cybersecurity regulations and with corporate policies on technical and organisational measures appropriate for risk management and the prevention of cyber incidents.

The Group guarantees 24-hour monitoring and management of security events through a Next Generation Security Operation Centre (Next Generation-SOC), which also guides and supports the incident management process according to established industry practices. The SOC processes information originating from the IT and OT infrastructures, centralised under a single management structure.

In line with digital transformation initiatives and with respect to information and data management, the Group conducts training courses and awareness sessions on cyber risks to all staff and suppliers.

In the last three years (2023-2025), there were no Cybersecurity incidents that generated data breach events or compromised corporate systems.

During 2025, the Italgas Group fulfilled the requirements set out in the NIS 2 (Network & Information Security) Directive by identifying and registering the Group's essential and important entities on the portal of the National Cybersecurity Agency and defining a roadmap of compliance actions to strengthen security safeguards, ensure the operational continuity of essential services and comply with the obligations that will enter into force from January 2026.

The Group regularly holds meetings with institutional and governmental authorities to strengthen its public-private cooperation network and in 2025 signed a new memorandum of understanding with the Arma dei Carabinieri aimed at protecting critical infrastructure, enhancing corporate security, preventing unlawful activities and promoting the safeguarding of the territory.

Information and personal data security

Since 2018, Italgas has standardised the roles and responsibilities regarding the protection of personal data processed as part of its corporate activities through the adoption of a specific Organisational Model and has appointed a Data Protection Officer. Within an accountability framework, Italgas has defined its Data Protection policy in a Compliance Standard and has regulated the main activities relating to Data Protection in the "Data Protection Manual"; in a continuous improvement perspective, in order to incorporate additional elements of accountability and strengthen information flows, in 2025 the Organisational Model and the Data Protection Manual were supplemented and updated. A specific process document is dedicated to data breach management. Furthermore, with reference to the provisions of Article 28 of the GDPR, all contractual

agreements with suppliers that process personal data on behalf of Italgas include a specific “Data Protection Agreement”.

The Data Protection Organisational Model is integrated into the internal control and risk management system of the Italgas Group.

The subsidiaries implement their own Data Protection Model, defined and approved on the basis of that of Italgas and adapted to take into account the specific characteristics of each company; in 2025 they updated their Organisational Model, in line with the updates carried out by the Parent Company.

Bludigit's information security management system is certified to ISO/IEC 27001:2022 and is therefore compliant with the requirements of the main international standard of reference on information security.

Italgas carries out audits to verify the degree of adequacy of its Data Protection Organisational Model in terms of compliance with applicable regulations. This activity is carried out through third-party audits, Internal Audit and other surveillance activities, which are directly undertaken by the DPO.

3. Operating performance

3.1 Main events

Extraordinary transactions and area tenders

- On 1 April 2025, Italgas completed the acquisition of 99.94% of the share capital of 2i Rete Gas S.p.A. from the sellers F2i SGR S.p.A. and Finavias S.à r.l.. The acquisition, announced to the market on 5 October 2024, was completed following the receipt of the Golden Power Authorisations, Foreign Subsidies Regulation approval, and clearance from the Italian Competition Authority. Furthermore, the reverse stock split of 2i Rete Gas became effective on 16 April 2025, as a result of which Italgas now holds 100% of the share capital of 2i Rete Gas.
- On 1 July 2025, the merger by incorporation of 2i Rete Gas into Italgas Reti and the partial and partial demerger of Italgas Reti became effective, with the IT branch, including the 100% equity investments in IG Rete Dati, being assigned to Bludigit.
- On 22 September 2025, the Municipality of Catanzaro, as the contracting authority, and Italgas Reti signed the contract for the management of the natural gas distribution service in the Catanzaro-Crotone Territorial Area for a period of twelve years (109 municipalities of the ATEM and 110,000 customers served).
- On 13 October 2025, the Municipality of Ivrea, as the contracting authority, awarded Italgas Reti the management of the gas distribution service in the "Turin 5" Territorial Area, which includes 76 municipalities in the Canavese area, 64 of which are already connected to the methane network, and which serves approximately 58,000 customers.

Antitrust requirements

- On 11 March 2025, the Italian Competition Authority (AGCM) authorised the concentration transaction consisting of the acquisition of sole control of 2i Rete Gas by Italgas, subject to a series of divestiture and behavioural remedies. On 6 June 2025, Italgas published a notice for the sale of approximately 600 re-delivery points, corresponding to 20% of the total re-delivery points in 31 ATEMs²⁸, as well as a number of re-delivery points equal to those acquired from 2i Rete Gas in a further 4²⁹ ATEMs. After receiving the bids, the Authority completed the positive assessment of the suitability of the following potential buyers: Ascopiave S.p.A., Erogasmet S.p.A., GP Infrastrutture S.r.l., and a temporary consortium (*Associazione Temporanea di Imprese*, ATI) consisting of Plures (formerly Alia Servizi Ambientali S.p.A.), Estra S.p.A. and Centria S.r.l.. The assets sold are located in twelve ATEMs (Bari 2, Barletta-Andria-Trani, Brescia 5, Campobasso, Frosinone 2, Massa Carrara, Padua 2 and 3, Pisa, Rome 5, Teramo and Viterbo), for a total of 247,000 re-delivery points, networks and service plants, the related personnel involved and the assets required for service management, for a total consideration of 253.1

²⁸ In the following ATEMs: Agrigento, Bari 2, Benevento, Brescia 5, Caltanissetta, Campobasso, Caserta 2, Catania 1, Frosinone 2, L'Aquila 2, Mantua 2, Massa Carrara, Matera, Messina 2, Naples 2, Novara 2, Padua 2, Padua 3, Potenza 1, Potenza 2, Ragusa, Reggio di Calabria-Vibo Valentia, Rome 4, Rome 5, Salerno 1, Salerno 3, Teramo, Turin 6, Trapani, Varese 1, Viterbo.

²⁹ In the following ATEMs: Barletta- Andria-Trani, Caserta 1, Cosenza 2, Pisa.

million euro³⁰. On 1 March 2026, the ATEMs of Bari 2, Barletta-Andria-Trani, Pisa and Teramo were transferred to the temporary consortium ATI Plures, Estra and Centria, for approximately 120,000 active re-delivery points. The remaining transfers will take place in the second quarter of 2026.

Capital operations

- On 12 February 2025, in execution of the 2021-2023 Co-Investment Plan approved by the Ordinary and Extraordinary Shareholders' Meeting of 20 April 2021, the Board of Directors resolved on the free allocation of a total of 511,604 new ordinary shares of the Company to the beneficiaries of said Plan (second cycle of the Plan) and executed the second tranche of the rights issue resolved on by the aforesaid Shareholders' Meeting, for a nominal amount of 634,388.96 euro, taken from retained earning reserves.
- On 10 April 2025, the Extraordinary Shareholders' Meeting of Italgas approved the proposal for a paid Rights Issue for a maximum total amount of 1.02 billion euro. The rights issue was completed with the issue of 202,938,478 new shares. Furthermore, on the same date the Extraordinary Shareholders' Meeting approved a proposal for a free share capital increase, in one or more tranches, for a maximum nominal amount of 558,000.00 euro. This increase will be funded through the allocation, pursuant to Article 2349 of the Italian Civil Code, of a corresponding maximum amount from retained earnings reserves. The increase will involve the issuance of up to 450,000 ordinary shares, which will be awarded to the beneficiaries of the Stock Grant Plan approved by the Ordinary Shareholders' Meeting on 10 April 2025. In addition, at the Ordinary Shareholders' Meeting of Italgas S.p.A. held on 10 April 2025, the 2025-2027 employee share ownership plan, called the "IGrant 2025–2027 Plan", was approved, which provides for the allocation of ordinary shares to Group employees, using shares deriving from two related share capital increases pursuant to Article 2349 of the Italian Civil Code. The objective of the approval of this plan is to foster the direct engagement with the Group's people in the creation of medium/long-term value. The initiative was highly successful, and over 60% of eligible employees took part. Starting in September 2025, Italgas executed the envisaged transactions, involving the issue of new ordinary shares in October and December through capital increases free of charge and against payment.

Funding Transactions

- As part of the financing of the acquisition of 2i Rete Gas, the Italgas:
 - Issued a dual-tranche note on 6 March for a nominal amount of 500 million euro each, with 5- and 9-year maturities on 6 March 2030 and 2034, both at fixed rate and with annual coupons of 2.875% and 3.500% respectively.
 - Drew on the 1,000 million euro bridge loan granted under the financing agreement signed on 5 October 2024 with J.P. Morgan Chase Bank, N.A. – Milan Branch, Banco BPM S.p.A., Bank of America Europe Designated Activity Company – Milan Branch, Citibank N.A. – Milan Branch, Morgan Stanley Bank AG, and Société Générale – Milan Branch, as the financing banks, for the payment of part of the consideration for the acquisition of 2i Rete Gas. On 2 June 2025, Italgas

³⁰ Price subject to possible post-closing adjustment (upward or downward) based on positive or negative differences.

launched a 1.02 billion euro Rights Issue. The transaction was completed on 24 June 2025 with the full subscription of the shares offered under the Rights Issue (specifically, 98.7% subscribed during the option offer period and the remaining 1.3% through the auction of unexercised rights), through the issue of 202,938,478 new shares at a subscription price of 5.026 euro per share. The funds obtained from the Rights Issue made it possible to fully reimburse the Bridge financing.

- During May and June, Italgas entered into three floating-rate bank loans with leading credit institutions for a total amount of 900 million euro and a duration of three years, intended for the reimbursement of a note maturing on 24 June and the refinancing at maturity of a bank loan. In addition, in September, Italgas obtained two floating-rate bank loans for a total amount of 500 million euro, with a three-year maturity, used for the reimbursement of a note maturing on 11 September.
- On 10 July 2025, Consob approved the new EMTN (Euro Medium Term Notes) Programme with a maximum nominal amount of 5 billion euro, providing for the issuance of one or more non-convertible notes to be executed within one year and placed exclusively with institutional investors. The new Italgas EMTN Programme provides for the issuance of securities in dematerialised form, with listing on the Mercato Telematico delle Obbligazioni ("MOT", Government Bond and Securities Electronic Market), operated by Borsa Italiana S.p.A.

Rating

- On 1 July 2025, the rating agency S&P assigned a long-term credit rating of "BBB+", with a Stable Outlook, to Italgas and Italgas Reti. The "BBB+" rating follows the completion of the acquisition of 2i Rete Gas by Italgas and the subsequent merger with Italgas Reti. The same rating was also assigned to the bonds issued by Italgas and those originally issued by 2i Rete Gas, which are now held by Italgas Reti.
- On 4 July 2025, the rating agency Moody's confirmed the long-term credit rating of Italgas as "Baa2", with Stable outlook. The same rating was also confirmed for the bonds issued by Italgas and for those originally issued by 2i Rete Gas, which are now held by Italgas Reti. On 16 December 2025, Fitch confirmed the long-term rating of Italgas as BBB+, with Stable outlook, recognising its European leadership in gas distribution, operational efficiency, financial soundness and stability of its regulatory framework, following the presentation of the 2025-2031 Strategic Plan.

Other events

- On 26 March 2025, at the Italian Embassy in France, Italgas and GRDF (Gaz Réseau Distribution France) renewed the Memorandum of Understanding (MoU) signed in 2019, strengthening their strategic collaboration focused on innovation, digitisation, and the sustainability of gas distribution networks.
- On 14 April 2025, Snam and CDP Reti signed an amendment to the Shareholders' Agreement concerning their equity investments in Italgas. An excerpt of the amending agreement and the key information relating to the Shareholders' Agreement are available on the Italgas website in the ["Shareholders' Agreements"](#) section.
- On 17 July 2025, Italgas and Cadent, the UK operator managing the country's largest natural gas distribution network, renewed the Memorandum of Understanding (MoU) signed in 2023,

strengthening their strategic collaboration focused on innovation, digitisation and the sustainability of gas distribution networks, while also opening discussions on cybersecurity and artificial intelligence.

- On 24 September 2025, *PARI* – an association committed to combating gender-based violence, founded with the contribution of founding members such as Italgas – was heard by the Parliamentary Committee of Inquiry into Femicide and Gender-Based Violence.
- On 2 October 2025, Hyround was inaugurated in Sardinia, the first plant in Italy for the production of green hydrogen directly connected to the city gas distribution network, powered by a 1 MW photovoltaic field. The initial production of 21 tonnes per year is expected to increase to 70 by 2028, with uses in local public transport, in the domestic and commercial network of Sestu, and at a dairy plant, supported by an investment of approximately 15 million euro and NRRP funding of 1.5 million euro for the hydrogen refuelling station.
- On 22 October 2025, Italgas consolidated its international leadership in the measurement and reduction of methane emissions, achieving for the fifth consecutive year the “Gold Standard” status awarded as part of the An Eye on Methane 2025 report by the International Methane Emissions Observatory (IMEO).
- On 18 December 2025, Italgas successfully achieved the first ISO 9001 and ISO 45001 certification issued by DNV, following the audit conducted between October and December 2025. The result confirms the solidity of the management system and the ongoing commitment to process improvements, service quality, and protecting health and safety. The certifications attest to a model focused on continuous improvement, risk prevention and worker well-being.

3.2 Key figures

To allow for a better assessment of the economic and financial performance, in addition to the conventional formats and indicators provided for by IAS/IFRS, the Directors' Report includes the reclassified financial statements and some alternative performance measures, including, in particular, EBITDA, EBIT and net financial debt. These figures are presented in the tables below, the related notes and the reclassified financial statements. For the definition of the terms used, when not directly specified, please refer to the chapter "Financial results, Non-GAAP Measures".

Key share figures

	As of 31 December 2024	As of 31 December 2025
Number of shares of share capital	811,242,309	1,015,686,402
Closing price at the end of period (€)	5.410	9.515
Average closing price in the period (a) (€)	5.2046	7.1858
Market capitalisation (b) (€ millions)	4,222	6,807
Exact market capitalisation (c) (€ millions)	4,389	9,664

(a) Non-adjusted for dividends paid. Adjusted for the effect of the capital increase with pre-emptive rights.

(b) Average market capitalisations calculated at the closing price over the period.

(c) The product of the number of shares outstanding (exact number) multiplied by the closing price as at 31 December of each year.

Key financial figures (*)

(€ million)	For the year ended 31 December 2024	For the year ended 31 December 2025
Total revenues and other income adjusted (*)	1,778.8	2,484.2
EBITDA adjusted	1,350.9	1,883.4
EBIT adjusted	820.7	1,205.9
Adjusted Profit before taxes	711.3	986.0
Adjusted net profit	535.2	706.3
Adjusted net profit attributable to the Group	506.6	674.5
Adjusted Earnings per share (**)	0.624	0.664

(*) Unlike the legal statement, the reclassified income statement requires the listing of Total revenues and other income and Operating costs net of the impact of IFRIC 12 "Service concession agreements" (995.6 and 746.5 million euro respectively in 2025 and 2024), connection contributions (35.0 and 19.0 million euro respectively in 2025 and 2024), repayments from third parties and other components (23.1 and 33.8 million euro respectively in 2025 and 2024). It also excludes special items (for more information, please refer to the following paragraph "Special Items").

(**) The indicator is calculated as a ratio between the adjusted net profit attributable to the Group and the total number of shares, which is 811,242,309 at 31 December 2024 and 1,015,686,402 at 31 December 2025.

(€ million)	As of 31 December 2024	As of 31 December 2025
Net invested capital at the end of the end of period	9,556.3	15,033.7
Equity	2,793.5	4,165.9
Net financial debt	6,762.8	10,867.8
Lease liabilities - IFRS 16 and IFRIC 12	90.5	134.0
Net financial debt (excluding the effects pursuant to IFRS 16 and IFRIC 12)	6,672.3	10,733.8

3.3 Infrastructure

Italgas is the leader in Italy and Greece in the industry of natural gas distribution. The distribution service consists of transporting gas through local pipeline networks, from points of delivery at the reduction and measurement stations interconnected with the transport networks (“city-gates”) up to the final delivery points to customers (households, enterprises, etc.). Furthermore, Italgas is engaged in metering activities, which consist of determining, gathering, making available and archiving metering data on natural gas withdrawn over the distribution networks. Collection cabins are equipment that link local distribution networks to the national gas pipeline network. Currently Italgas has collection cabins equipped with advanced remote control and smart metering systems. Remote control allows the fastest possible intervention in case of anomalies; smart metering allows the continuous detection of a series of parameters related to the management of gas flows as well as the detection of the quantity of gas entering the networks. The systems for the reduction of pressure are devices placed along the distribution network and have the task to bring the pressure of the gas at the right level in relation to the type of use.

Investments

In 2025, technical investments were made for 1,203.6 million euro (887.0 million euro as at 31 December 2024), representing an increase of 35.7%.

(€ million)	As of 31 December 2024	As of 31 December 2025	Abs. change	% Change
Gas distribution	538.7	730.9	192.2	35.7
Network maintenance and development	438.8	659.4	220.6	50.3
New networks	99.9	71.5	(28.4)	(28.4)
Gas digitisation	243.3	288.8	45.5	18.7
Other assets	103.5	124.6	21.1	20.4
- of which the effect of IFRS 16	3.4	10.7	7.3	-
Metering	115.9	138.4	22.5	19.4
Processes	23.9	25.8	1.9	7.9
Other investments	105.0	183.9	78.9	75.1
- of which Real Estate	22.5	37.9	15.4	68.4
- of which ICT	22.9	39.7	16.8	73.4
- of which right of use and concessions	46.6	82.8	36.2	77.7
	887.0	1,203.6	316.6	35.7

Investments related to gas distribution (730.9 million euro) thousand increased by 35.7% compared to 2024, mainly as a result of the new scope arising from the acquisition of 2i Rete Gas.

Investments in digitisation (288.8 million euro) increased by 18.7% compared to the corresponding period of 2024, despite the decrease resulting from the gradual completion of the digitisation process of the network in Italy, thanks to the launch of upgrade activities on the legacy network of 2i Rete Gas .

Other investments (183.9 million euro) increased by 78.9 million euro and include the redevelopment works in the “Corso Regina Margherita” area of Turin, the IT developments resulting from the integration of 2i Rete Gas and the vehicle fleet.

Operating figures

The key operating figures are presented in the chapter “Operating segment operating performance” of this Integrated Annual Report.

4. Comment on the results and other information ³¹

4.1 Comment on the economic and financial results³²

Reclassified income statement (*)

(€ million)	For the year ended 31 December 2024	For the year ended 31 December 2025	Abs. change	% Change
Gas distribution regulated revenue	1,583.1	2,329.8	746.7	47.2
Other revenues	157.2	205.6	48.4	30.8
Total revenues and other income (*)	1,740.3	2,535.4	795.1	45.7
<i>of which special items</i>	38.5	(51.2)	(89.7)	-
Total revenues and other income (*) adjusted	1,778.8	2,484.2	705.4	39.7
Operating costs (*)	(427.9)	(646.8)	(218.9)	51.2
<i>of which special items</i>	-	46.0	46.0	-
Adjusted operating costs (*)	(427.9)	(600.8)	(172.9)	40.4
EBITDA	1,312.4	1,888.6	576.2	43.9
EBITDA adjusted	1,350.9	1,883.4	532.5	39.4
Amortisation, depreciation and impairment of assets	(530.2)	(677.5)	(147.3)	27.8
EBIT	782.2	1,211.1	428.9	54.8
EBIT adjusted	820.7	1,205.9	385.2	46.9
Net financial expense	(120.6)	(236.4)	(115.8)	96.0
<i>of which special items</i>	-	5.6	5.6	-
Adjusted net financial expense	(120.6)	(230.8)	(110.2)	91.4
Net income from equity investments	11.2	10.9	(0.3)	(2.7)
<i>of which gas distribution</i>	1.7	5.3	3.6	-
<i>of which water service</i>	9.5	5.6	(3.9)	(41.1)
Profit before taxes	672.8	985.7	312.9	46.5
Adjusted Profit before taxes	711.3	986.0	274.7	38.6
Income taxes	(165.3)	(279.9)	(114.6)	69.3
<i>Taxation related to special items</i>	(10.8)	0.2	11.0	-
Adjusted income taxes	(176.1)	(279.7)	(103.6)	58.9
Profit	507.5	705.8	198.3	39.1
Profit attributable to the Group	478.9	672.2	193.3	40.4
Profit attributable to non-controlling interests	28.6	33.5	4.9	17.1
Adjusted net profit	535.2	706.3	171.1	32.0
Adjusted net profit attributable to the Group	506.6	674.5	167.9	33.1
Adjusted net profit attributable to non-controlling interests	28.6	31.8	3.2	11.2

(*) Unlike the legal statement, the reclassified income statement requires the listing of Total revenues and other income and Operating costs net of the impact of IFRIC 12 "Service concession agreements" (995.6 and 746.5 million euro respectively in 2025 and 2024), connection contributions (35.0 and 19.0 million euro respectively in 2025 and 2024), repayments from third parties and other components (23.1 and 33.8 million euro respectively in 2025 and 2024). It also excludes special items (for more information, please refer to the following paragraph "Special Items").

For a broader representation of the sectors, reference should be made to the chapter "Operating segment operating performance".

Special items

Italgas' management assesses Group performance on the basis of alternative performance measures³³ not envisaged by IFRS, obtained by excluding special items from operating result and net profit.

The income components are classified as special items, if significant, when: (i) they result from non-recurring events or transactions or from transactions or events which do not occur frequently in the ordinary course of

³¹ At the approval of this document, the purchase price allocation (PPA) process was completed. Nevertheless, the Group reserves the right to definitively report the effects of the PPA within 12 months from the acquisition date, namely by 31 March 2026. In accordance with paragraph 45 of IFRS 3, the allocation of the consideration for the acquired net assets has therefore been carried out on a provisional basis, with the recognition of goodwill of 522.5 million euro, subsequently reduced by 21.9 million euro for the restatement to "assets held for sale" of the assets that will be sold to third parties in compliance the Antitrust measure following the acquisition of 2i Rete Gas.

³² This paragraph refers to the Italgas Group, which includes: Italgas S.p.A., Italgas Reti S.p.A., Cilento Reti Gas S.r.l., Medea S.p.A., Nepta S.p.A., Idrosicilia S.p.A., Idrolatina S.r.l., Acqua Campania S.p.A., L.A.C. Laboratorio Acqua Campania S.r.l., Toscana Energia S.p.A., Geoside S.p.A., Bludigit S.p.A., IG Rete Dati S.p.A., Italgas Newco S.p.A. and the Enaon Group.

³³ For the definition of alternative performance measures, please refer to the chapter "Non-GAAP Measures" of this document.

business; (ii) they result from events or transactions which are not representative of the normal course of business, or (iii) they result from economic components that do not generate cash flows, typically of an accounting nature (non-cash movement). The tax rate applied to the items excluded from the calculation of adjusted net profit is determined on the basis of the nature of each revenue item subject to exclusion. Adjusted operating profit and adjusted net profit are not provided for by either IFRS or other standard setters. These performance metrics allow for analysis of the business trends, making it easier to compare results. The NON-GAAP financial report must be considered complementary to and not replacing the reports prepared according to IFRS.

The income components classed among special items in 2025 referred to:

- the decrease of 54.4 million euro (with a tax effect of +15.3 million euro) for the recognition of higher unit costs recognised for tariff purposes for the years 2020-2024 (arising from the implementation of Resolution no. 87/2025/R/gas);
- the increase of 3.2 million euro (with a tax effect of -0.9 million euro) due to the non-recognition of capital costs in start-up locations starting from the 2020 financial year and until 2024 in which Italgas Reti did not reach the ceiling (re-delivery point density per km of network), arising from Resolution no. 704/2016/R/gas, supplemented by Resolution no. 525/2022/R/gas;
- the increase in costs relating to penalties for the difference between the gas injected into and gas collected from city gates arising from Resolution no. 386/2022/R/gas for the years 2020-2022, 2021-2023 and 2022-2024 equal to +8.4 million euro (with a tax effect of -2.3 million euro);
- the increase in costs related to the acquisition and integration of 2i Rete Gas and the costs associated with the disposals required by the Antitrust measure for a total of 33.6 million euro (including financial expenses, with a tax effect of -9.2 million euro);
- the increase in share-based payments deriving from the employee share ownership plan (IGrant Plan) and from the Co-investment Plan dedicated to the Group's managers, totalling 9.6 million euro in operating costs (with a tax effect of -2.7 million euro).

Taking into account the nature of these items, management deemed it appropriate to classify the related amounts under special items. Below is the reconciliation table between reclassified and adjusted values:

(€ million)	For the year ended 31 December 2024	For the year ended 31 December 2025
Total revenues and other income	1,740.3	2,535.4
<i>of which special items</i>	38.5	(51.2)
- contribution pursuant to ARERA Resolution no. 87/2025/R/gas	-	(54.4)
- distribution for start-up locations	4.6	3.2
- reimbursements for smart metering/remote management for the years 2011-2016	9.9	-
- gas distribution service safety awards for the year 2020	24.0	-
Total revenues and other income adjusted	1,778.8	2,484.2
Total operating costs	(427.9)	(646.8)
<i>of which special items</i>	-	46.0
Adjusted total operating costs	(427.9)	(600.8)
EBITDA	1,312.4	1,888.6
<i>of which special items</i>	38.5	(5.2)
Adjusted EBITDA	1,350.9	1,883.4
Amortisation, depreciation and impairment of assets	(530.2)	(677.5)
<i>of which special items</i>	-	-
Adjusted amortisation, depreciation and impairment	(530.2)	(677.5)
EBIT	782.2	1,211.1
<i>of which special items</i>	38.5	(5.2)
Adjusted EBIT	820.7	1,205.9
Net financial expense	(120.6)	(236.4)

<i>of which special items</i>	-	5.6
Adjusted net financial expense	(120.6)	(230.8)
Net income from equity investments	11.2	10.9
Profit before taxes	672.8	985.7
<i>of which special items</i>	38.5	(0.4)
Adjusted profit before taxes	711.3	986.0
Income taxes	(165.3)	(279.9)
<i>of which special items</i>	(10.8)	0.2
Adjusted income taxes	(176.1)	(279.7)
Profit	507.5	705.8
Profit attributable to the Group	478.9	672.2
Profit attributable to non-controlling interests	28.6	33.5
Adjusted net profit	535.2	706.3
Adjusted net profit attributable to the Group	506.6	674.5
Adjusted net profit attributable to non-controlling interests	28.6	31.8

Analysis of the Reclassified Income Statement items

TOTAL REVENUES AND OTHER INCOME

(€ million)	For the year ended 31 December 2024	For the year ended 31 December 2025	Abs. change	% Change
Distribution revenue	1,521.6	2,203.8	682.2	44.8
<i>of which special items</i>	14.5	(51.2)	(65.7)	-
Adjusted distribution revenue	1,536.1	2,152.6	616.5	40.1
Other distribution revenue	61.5	126.0	64.5	-
<i>of which special items</i>	24.0	-	(24.0)	-
Other adjusted distribution revenue	85.5	126.0	40.5	47.4
Total gas distribution regulated revenue	1,583.1	2,329.8	746.7	47.2
Total adjusted gas distribution regulated revenue	1,621.6	2,278.6	657.0	40.5
Other revenues	157.2	205.6	48.4	30.8
Total revenues and other income	1,740.3	2,535.4	795.1	45.7
Total revenues and other income adjusted	1,778.8	2,484.2	705.4	39.7

Total revenues and other income amounted to 2,535.4 million euro, an increase of 795.1 million euro compared with the corresponding period of 2024 (+45.7%), and relate to gas distribution regulated revenue (2,329.8 million euro, including special items for 51.2 million euro) and other revenues (205.6 million euro).

Total revenues and other income adjusted³⁴ amounted to 2,484.2 million euro, up by 705.4 million euro compared with the same period in 2024 (+39.7%).

Gas distribution regulated revenue increased by 746.7 million euro compared to 2024 as a result of the new scope arising from the acquisition of 2i Rete Gas, despite the significant decrease in the WACC (-51.6 million euro), partially offset by the growth in the RAB, mainly driven by investments made in the period, and by the effect of the revaluation rate, and the impact over the twelve months of 2025 of the higher operating costs recognised for tariff purposes (ARERA Resolution no. 87/2025/R/gas).

Other revenues increased by 48.4 million euro compared to 2024 mainly due to higher revenues arising from the energy efficiency sector (+44.7 million euro).

³⁴Italgas' management assesses Group performance on the basis of alternative performance measures not envisaged by IFRS, obtained by excluding special items from operating result and net profit.

The income components are classified as special items, if significant, when: (i) they result from non-recurring events or transactions or from transactions or events which do not occur frequently in the ordinary course of business; (ii) they result from events or transactions which are not representative of the normal course of business, or (iii) they result from economic components that do not generate cash flows, typically of an accounting nature (non-cash movement). The tax rate applied to the items excluded from the calculation of adjusted net profit is determined on the basis of the nature of each revenue item subject to exclusion. Adjusted operating profit and adjusted net profit are not provided for by either IFRS or other standard setters. These performance metrics allow for analysis of the business trends, making it easier to compare results. The NON-GAAP financial report must be considered complementary to and not replacing the reports prepared according to IFRS.

OPERATING COSTS

(€ million)	For the year ended 31 December 2024	For the year ended 31 December 2025	Abs. change	% Change
Fixed gas distribution costs	249.7	345.3	95.6	38.3
Net personnel costs	157.7	214.0	56.3	35.7
Net external costs	92.0	131.3	39.3	42.8
Other assets	95.6	130.4	34.8	36.4
Net personnel costs	14.7	14.6	(0.1)	(0.7)
Net external costs	80.9	115.8	34.9	43.1
Other costs and provisions	8.4	55.7	47.3	-
<i>of which special items</i>	-	46.0	46.0	-
Other adjusted costs and provisions	8.4	9.7	1.3	15.0
EEC	-	(6.0)	(6.0)	-
Concession-related expenses	74.2	121.4	47.2	63.6
Operating costs	427.9	646.8	218.9	51.2
Adjusted operating costs	427.9	600.8	172.9	40.4

Operating costs amounted to 646.8 million euro, an increase of 218.9 million euro compared with the corresponding period of 2024, mainly due to the inclusion of the new scope resulting from the acquisition of 2i Rete Gas and to growth in activities relating to the energy efficiency sector, which are reflected under other revenues. Operating costs include special items amounting to a total of 46.0 million euro.

Adjusted operating costs amounted to 600.8 million euro, up by 172.9 million euro compared with the same period in 2024. On a like-for-like basis, and so including the values of 2i Rete Gas for the period April-December 2024, costs decreased by 30.6 million euro (-5.2%). Furthermore, it is noted that the synergies and efficiency gains, calculated on a like-for-like basis (including the 2i Rete Gas Group for 12 months) and using the sum of the costs for financial year 2023 as a baseline, reached 35 million euro.

AMORTISATION, DEPRECIATION AND IMPAIRMENT

(€ million)	For the year ended 31 December 2024	For the year ended 31 December 2025	Abs. change	% Change
Amortisation and depreciation	530.2	677.2	147.0	27.7
Intangible assets IFRIC 12	435.2	545.3	110.1	25.3
Other Intangible Assets	42.0	61.9	19.9	47.4
Property, plant and equipment	53.0	70.0	17.0	32.1
<i>of which, amortisation and depreciation as per IFRS 16</i>	32.5	44.6	12.1	37.2
Impairment	-	0.3	0.3	0.0
Amortisation, depreciation and impairment	530.2	677.5	147.3	27.8

Amortisation, depreciation and impairment came to 677.5 million euro, up 147.3 million euro (+27.8%) compared to 2024, mainly due to the assets acquired from 2i Rete Gas (revalued as a result of the purchase price allocation), partially offset by the effect over 12 months of the completion of the amortisation process for assets to be transferred free of charge relating to the Rome concession (expired in November 2024).

NET FINANCIAL EXPENSE

(€ million)	For the year ended 31 December 2024	For the year ended 31 December 2025	Abs. change	% Change
Expense (income) on short-term and long-term financial debt	113.6	219.7	106.1	93.4
<i>of which special items</i>	-	5.6	5.6	-
Upfront fee	10.6	14.0	3.4	32.1

Other net financial expense (income)	(2.3)	2.8	5.1	-
Expenses (income) related to the discounting of environmental provisions and provisions for employee benefits	3.8	3.8	0.0	0.0
Other net financial expense (income)	(6.1)	(1.0)	5.1	(83.6)
Financial expense capitalised	(1.3)	(0.1)	1.2	(92.3)
Net financial expense	120.6	236.4	115.8	96.0
Adjusted net financial expense	120.6	230.8	110.2	91.4

Net financial expense increased by 115.8 million euro compared to 2024, mainly as a result of the expenses relating to the so-called “bridge” facility for the acquisition of 2i Rete Gas, the impact of the dual-tranche note issued in March 2025, the expenses due to the consolidation of the debt of 2i Rete Gas and the expenses arising from the fair value measurement of the bonds issued by 2i Rete Gas as a result of the purchase price allocation.

Net financial expense include special items for 5.6 million euro, related to part of the costs incurred for the acquisition of 2i Rete Gas. Net of the latter, **adjusted net financial expense** amounted to 230.8 million euro, up by 110.2 million euro.

NET INCOME FROM EQUITY INVESTMENTS

Net income from equity investments amounted to 10.9 million euro and refer to the contribution of investments accounted for using the equity method.

INCOME TAXES

(€ million)	For the year ended 31 December 2024	For the year ended 31 December 2025	Abs. change	% Change
Current taxes	164.0	310.9	146.9	89.6
Net deferred taxes	1.3	(31.0)	(32.3)	-
Income taxes	165.3	279.9	114.6	69.3
<i>Taxation related to special items</i>	<i>(10.8)</i>	<i>0.2</i>	<i>11.0</i>	<i>-</i>
Adjusted income taxes	176.1	279.7	103.6	58.8
Effective tax rate (%)	24.6%	28.4%		
Adjusted effective tax rate (%)	24.8%	28.4%		

Income taxes amounted to 279.9 million euro, up by 114.6 million euro compared to the corresponding value in the previous year. Income taxes include the tax effect related to special items for 0.2 million euro.

Adjusted income taxes amounted to 279.7 million euro, an increase of 103.6 million euro compared to the previous year, due to the higher profit before taxes for the period and the cessation during financial year 2025 of the patent box benefit (21.9 million euro in 2024).

The **Adjusted tax rate** thus stands at 28.4% (24.8% in the financial year 2024).

The reconciliation of the theoretical tax rate with the effective tax rate is described in the note “Income taxes” in the Notes to the consolidated financial statements.

Reclassified Statement of Financial Position

The Reclassified Statement of Financial Position combines the assets and liabilities of the mandatory format included in the consolidated financial statements based on the criterion of how the business operates, conventionally split into the three basic functions of investment, operations and financing.

The statement provided represents useful information for the investor because it makes it possible to identify the sources of financial resources (own and third-party funds) and uses of financial resources in fixed and working capital.

The Italgas' Reclassified Statement of Financial Position as at 31 December 2025, compared with that as at 31 December 2024, is summarised below:

(€ million)	As of 31 December 2024	As of 31 December 2025	Abs. change
Fixed capital (*)	8,777.1	14,090.0	5,312.9
Property, plant and equipment	383.3	488.1	104.8
Intangible assets	8,305.6	13,560.6	5,255.0
Equity investments	176.1	192.0	15.9
Financial receivables and securities instrumental to operations	319.5	324.0	4.5
Net payables for investing activity	(407.4)	(474.7)	(67.3)
Net working capital	835.1	787.7	(47.4)
Provisions for employee benefits	(61.3)	(80.5)	(19.2)
Assets held for sale and directly related liabilities	5.4	236.5	231.1
NET INVESTED CAPITAL	9,556.3	15,033.7	5,477.4
Equity	2,793.5	4,165.9	1,372.4
- attributable to the Italgas Group	2,457.9	3,818.9	1,361.0
- attributable to non-controlling interests	335.6	347.0	11.4
Net financial debt	6,762.8	10,867.8	4,105.0
FUNDING	9,556.3	15,033.7	5,477.4

(*) Net of the effects deriving from the application of IFRS 15.

Below is an analysis of the change in **Property, plant and equipment** and **Intangible assets**:

(€ million)	Property, plant and equipment	IFRIC 12 assets	Intangible assets	Total
Balance as at 31 December 2024	383.3	7,955.7	349.9	8,688.9
Additions	112.0	1,020.3	71.2	1,203.6
- of which IFRS 16	69.0	-	-	69.0
Amortisation, depreciation and impairment of assets	(70.3)	(545.0)	(62.1)	(677.4)
- of which, depreciation as per IFRS 16	(44.6)	-	-	(44.6)
Assets acquired through business combination	57.4	4,536.0	572.3	5,165.6
Grants	-	(62.0)	-	(62.0)
Net disposals and sales	(3.4)	(35.6)	(22.0)	(61.1)
Assets held for sale	(1.2)	(216.1)	(21.9)	(239.2)
Other changes	10.3	(5.5)	25.5	30.3
Balance as at 31 December 2025	488.1	12,647.7	912.9	14,048.7

Equity investments (192.0 million euro) increased by 15.9 million euro due to the contribution of associated companies (+11.1 million euro, of which 5.6 million euro from the water sector and 5.5 million euro attributable to the gas sector) and other companies (+4.8 million euro).

Financial receivables and securities instrumental to operations (324.0 million euro) include the financial receivable due from the Municipality of Rome, contractually provided for in the gas distribution concession and which became due following its expiry (299.6 million euro).

Net working capital as at 31 December 2025 amounts to 787.7 million euro and is broken down as follows:

(€ million)	As of 31 December 2024	As of 31 December 2025	Abs. change
Trade receivables	751.9	1,217.5	465.6
Inventories	57.2	74.7	17.5
Net tax receivables (payables)	381.5	260.1	(121.4)
Other assets	596.6	725.2	128.6
Trade payables	(249.7)	(377.1)	(127.4)
Provisions for risks and charges	(92.1)	(120.4)	(28.3)
Net prepaid and deferred tax assets (liabilities)	(48.3)	(12.2)	36.1
Other liabilities	(562.0)	(980.1)	(418.1)
	835.1	787.7	(47.4)

Net financial debt

(€ million)	As of 31 December 2024	As of 31 December 2025	Abs. change
Financial and bond debt	7,185.8	11,416.9	4,231.1
Short-term financial debt (*)	934.2	920.4	(13.8)
Long-term financial debt	6,161.1	10,362.5	4,201.4
Lease liabilities - IFRS 16 and IFRIC 12	90.5	134.0	43.5
Funding derivative contracts Cash flow Hedge	(16.9)	(13.2)	3.7
Short-term contracts	(5.9)	(4.5)	1.4
Long-term contracts	(11.0)	(8.7)	2.3
Financial receivables and cash and cash equivalents	(406.1)	(535.9)	(129.8)
Cash and cash equivalents	(402.7)	(531.9)	(129.2)
Financial receivables	(3.4)	(4.0)	(0.6)
Net financial debt	6,762.8	10,867.8	4,105.0
Lease liabilities - IFRS 16 and IFRIC 12	90.5	134.0	43.5
Net financial debt (excluding the effects pursuant to IFRS 16 and IFRIC 12)	6,672.3	10,733.8	4,061.5

(*) These include the short-term portions of long-term financial debt.

Net financial debt (excluding the effects pursuant to IFRS 16 and IFRIC 12) increased by 4,061.5 million euro compared to 31 December 2024 and includes the loans of the former 2i Rete Gas and the issue of a dual-tranche note of 1,000 million euro intended to finance part of the consideration for the acquisition of 2i Rete Gas.

Financial and bond debt as at 31 December 2025 amounted to 11,416.9 million euro (7,185.8 million euro as at 31 December 2024) and refer to: bonds for 8,371.4 million euro (including the fair value measurement of the bonds issued by 2i Rete Gas as a result of the purchase price allocation), European Investment Bank/EIB loan agreements for 1,105.7 million euro, payables to banks for 1,805.8 million euro and financial liabilities pursuant to IFRS 16 and IFRIC 12 for 134.0 million euro.

As at 31 December 2025, fixed-rate debt accounted for 79.8% of financial and bond debt (85.4% as at 31 December 2024), while floating-rate debt stood at 20.2% (14.6% as at 31 December 2024). The increase in floating-rate liabilities is due to the signing of new bank loans concluded during the year and the maturity of two fixed-rate bonds, partially offset by the consolidation of the fixed-rate bonds held by 2i Rete Gas.

Statement of comprehensive income

(€ million)	For the year ended 31 December 2024	For the year ended 31 December 2025
Profit	507.5	705.8
Other comprehensive income		
Components that may be reclassified subsequently to the income statement:		
Fair value gain/(loss) arising from hedging instruments during the period, net of tax effect (Effective portion)	(15.3)	(3.2)
Tax effect	3.7	0.8
	(11.6)	(2.4)
Components that will not be reclassified to the income statement:		

Actuarial gains (losses) from remeasurement of defined benefit plans for employees	(0.6)	(1.0)
Change in fair value of investments measured at FVTOCI	0.1	(1.3)
Tax effect	0.1	0.6
	(0.4)	(1.7)
Total other comprehensive income, net of tax effect	(12.0)	(4.1)
Total comprehensive income for the year	495.5	701.7
Attributable to:		
- Italgas	466.9	668.2
- Non-controlling interests	28.6	33.5
	495.5	701.7

Reclassified Statement of Cash Flows

The reclassified statement of cash flows provided is the summary of the legally required cash flow statement. The reclassified statement of cash flows makes it possible to reconcile the change in cash and cash equivalents at the start and end of the period with the change in net financial debt at the start and end of the period. The measure which allows for the reconciliation between the two statements is the free cash flow³⁵, i.e. the cash surplus or deficit remaining after the financing of investments.

(€ thousand)	As of 31 December 2024	As of 31 December 2025
Profit	507.5	705.8
Correction:		
- Amortisation, depreciation and other non-monetary components	518.0	710.7
Net capital losses (capital gains) on asset sales and eliminations	5.6	2.2
- Interest and income taxes	285.9	516.3
Change in working capital due to operating activities	(97.7)	127.2
Dividends, interest and income taxes collected (paid)	(120.6)	(437.1)
Cash flow from operating activities	1,098.7	1,625.1
Technical investments	(845.4)	(1,087.3)
Other changes related to investing activity	35.1	(24.1)
Disinvestments and other changes	27.6	5.2
Free cash flow before Merger and Acquisition transactions	316.0	518.9
Companies included in the scope of consolidation	19.8	(2,062.8)
of which:		
price paid for equity before net cash acquired	(14.5)	(2,071.9)
cash and cash equivalents from companies in the scope of consolidation	34.3	9.1
Net acquisition of companies, plant and other financial assets	(77.8)	-
Free cash flow	258.0	(1,543.9)
Change in short- and long-term financial debt and financial receivables	228.6	1,069.2
Repayment of lease liabilities	(34.1)	(46.7)
Capital contribution from third parties	-	1,023.0
Equity cash flow	(299.8)	(348.7)
Other changes	-	(23.7)
Net cash flow for the year	152.7	129.2

(*) Net of the effects deriving from the application of IFRS 15.

Change in net financial debt

(€ thousand)	As of 31 December 2024	As of 31 December 2025
Free cash flow	258.0	(1,543.9)
Change in financial debt from companies that joined the scope of consolidation	-	(3,075.9)
Increase in lease liabilities and fees	(45.5)	(67.0)
Equity cash flow	(299.8)	(348.7)
Capital contribution from third parties	-	1,023.0
Other changes (difference between financial expense accounted for, and paid fair value of derivatives)	(41.2)	(92.5)
Change in net financial debt	(128.5)	(4,105.0)

³⁵ The free cash flow alternatively represents: (i) the change in cash for the period, after the addition/subtraction of cash flows relating to financial payables/receivables (usage/repayment of financial receivables/debt) and equity (payment of dividends/capital contributions); (ii) the change in net financial debt for the period, after the addition/subtraction of flows of debt relating to equity (payment of dividends/capital contributions).

The cash flow from operating activities as at 31 December 2025, amounting to 1,625.1 million euro, fully financed the net investment cash flow, generating a free cash flow before merger and acquisition transactions of 518.9 million euro, which covered the dividends paid in full.

The price for the acquisition of 2i Rete Gas, amounting to 2,071.9 million euro (equity value), was financed with the funds arising from the capital increase ended on 24 June 2025, which enabled the full reimbursement of the bridge facility for 1,000 euro, and with the issue of the dual-tranche note.

4.2 Comment on the economic and financial results of Italgas S.p.A.

Italgas S.p.A. was incorporated on 1 June 2016 and listed on the Milan Stock Exchange from 7 November 2016.

Reclassified income statement

In view of Italgas S.p.A.'s nature as an industrial investment holding, the following reclassified Income Statement has been prepared, which inverts the order of the income statement items under Leg. Decree 127/1991, presenting first those which relate to the financial operations, as this is the most significant income component for those companies³⁶.

(€ million)	For the year ended 31 December 2024	For the year ended 31 December 2025	Abs. change	% Change
Income from investments	428.2	396.6	(31.6)	(7.4)
Interest income	133.9	146.4	12.5	9.3
Interest expenses and other financial expenses	(130.3)	(184.4)	(54.1)	41.5
Total financial income and expenses	431.8	358.6	(73.2)	(17.0)
Income from services	79.7	91.0	11.3	14.2
Other operating income	79.7	91.0	11.3	14.2
For staff	(49.3)	(61.7)	(12.4)	25.2
<i>of which special items</i>	-	3.8	3.8	0.0
For performance of non-financial services and other costs	(31.9)	(35.5)	(3.6)	11.3
Amortisation	(2.7)	(3.2)	(0.5)	18.5
Total of other operating costs	(83.9)	(100.4)	(16.5)	19.7
Total of other operating costs - adjusted	(83.9)	(96.6)	(12.7)	15.1
Profit before taxes	427.6	349.2	(78.4)	(18.3)
Adjusted Profit before taxes	427.6	353.0	(74.6)	(17.4)
Income taxes	(5.1)	6.9	12.0	0.0
<i>of which special items</i>	-	1.1	1.1	0.0
Adjusted income taxes	(5.1)	5.8	10.9	0.0
Profit	422.5	356.1	(66.4)	(15.7)
Adjusted net profit	422.5	358.8	(63.7)	(15.1)

The income statement items classified as special items³⁷ for the 2025 financial year relate to share-based payments deriving from the broad-based share ownership plan (IGrant Plan) and from the Co-investment Plan dedicated to the Group's managers, amounting to -3.8 million euro of operating costs (with a tax effect of +1.1 million euro).

Analysis of the Reclassified Income Statement items

FINANCIAL INCOME AND EXPENSES

Income from equity investments (396.6 million euro) essentially includes the dividends paid by Italgas Reti subsidiaries (381.0 million euro) and Toscana Energia (15.4 million euro).

Interest income (146.4 million euro) essentially relates to income from the intragroup loans granted by Italgas to its subsidiaries.

³⁶ See Consob Communication 94001437 of 23 February 1994.

³⁷ For the definition of special items, please refer to section 4.1.

Interest expense and other financial expense (184.4 million euro) refers to the costs relating to financial debt and essentially concerns bond loan expense³⁸ (123.6 million euro) and loans from banks (55.9 million euro).

OTHER OPERATING INCOME

Other operating income (91.0 million euro), presented net of revenues that correspond to costs arising from charges to Italgas Reti relating to the acquisition and integration of 2i Rete Gas and to disposals deriving from the Antitrust measure, for a total of -21.8 million euro, mainly refers to recharges to subsidiaries of costs incurred for the provision of services managed centrally by Italgas S.p.A. These services are governed by contracts entered into between Italgas S.p.A. and its subsidiaries and relate to the following areas: personnel and organisation; planning, administration, finance and control; procurement; general, real estate and security services; legal, corporate and compliance affairs; health, safety and environment; institutional relations and regulation; external relations and sustainability; internal audit, enterprise risk management (ERM), the Data Protection Officer and Tax.

OTHER OPERATING EXPENSES

Other operating costs (100.4 million euro), presented excluding costs charged to Italgas Reti relating to the acquisition and integration of 2i Rete Gas and the disposals deriving from the Antitrust measure, for a total of -21.8 million euro, which correspond to revenues, relate to personnel costs (73.0 million euro), costs for non-financial services, other costs (31.8 million euro) and depreciation and impairment (3.2 million euro).

Reclassified Statement of Financial Position

(€ million)	As of 31 December 2024	As of 31 December 2025	Abs. change
Fixed capital	7,969.9	10,945.2	2,975.3
Property, plant and equipment	12.3	10.5	(1.8)
Intangible assets	1.9	1.9	-
Equity investments	3,441.4	5,485.5	2,044.1
Financial receivables and securities instrumental to operations	4,514.4	5,447.5	933.1
Net payables related to investments	(0.1)	(0.2)	(0.1)
Net working capital	97.2	54.6	(42.6)
Provisions for employee benefits	(8.4)	(8.2)	0.2
NET INVESTED CAPITAL	8,058.7	10,991.6	2,932.9
Equity	1,961.9	3,003.5	1,041.6
Net financial debt	6,096.8	7,988.1	1,891.3
FUNDING	8,058.7	10,991.6	2,932.9

Net invested capital amounts to 10,991.6 million euro, an increase of 2,932.9 million euro compared with 31 December 2024, mainly as a result of the acquisition of 2i Rete Gas, which generated an increase in equity investments (2,044.1 million euro), higher financial receivables and securities instrumental to operating activities (933.1 million euro), partially offset by a reduction in net working capital (42.6 million euro).

Equity investments amounting to 5,485.5 million euro relate to the subsidiaries Italgas Reti, Nepta, Toscana Energia, Geoside, Italgas NewCo and Bludigit (5,467.7 million euro), to the jointly controlled company Metano S. Angelo Lodigiano and to associates and other companies (17.8 million euro).

³⁸The details of bond issues during the year and related terms are provided in the note "Current and non-current financial liabilities" in the Notes to the separate financial statements.

Net working capital at 31 December 2025 is broken down as follows:

(€ million)	As of 31 December 2024	As of 31 December 2025	Abs. change
Trade receivables	76.2	75.5	(0.7)
Net tax receivables (payables)	54.2	21.7	(32.5)
Other assets	5.4	2.3	(3.1)
Trade payables	(19.9)	(26.9)	(7.0)
Provisions for risks and charges	(4.8)	(2.7)	2.1
Net prepaid and deferred tax assets (liabilities)	(1.1)	0.1	1.2
Other liabilities	(12.8)	(15.4)	(2.6)
	97.2	54.6	(42.6)

Compared with 31 December 2024, net working capital decreased by 42.6 million euro, mainly due to lower tax receivables (32.6 million euro).

Net financial debt

(€ million)	As of 31 December 2024	As of 31 December 2025	Abs. change
Financial and bond debt	7,294.9	8,907.8	1,612.9
Short-term financial debt (*)	1,356.8	639.4	(717.4)
Long-term financial debt	5,930.2	8,262.1	2,331.9
Lease liabilities - IFRS 16	7.9	6.3	(1.6)
Funding derivative contracts Cash flow Hedge	(15.1)	(12.0)	3.1
Short-term contracts	(4.7)	(3.7)	1.0
Long-term contracts	(10.4)	(8.3)	2.1
Financial receivables and cash and cash equivalents	(1,183.0)	(907.7)	275.3
Cash and cash equivalents	(268.3)	(436.4)	(168.1)
Financial receivables	(914.7)	(471.3)	443.4
Net financial debt	6,096.8	7,988.1	1,891.3
Lease liabilities - IFRS 16	7.9	6.3	(1.6)
Net financial debt (excluding the effects pursuant to IFRS 16)	6,088.9	7,981.8	1,892.9

(*) Includes the short-term portion of long-term financial debt and financial debt to subsidiaries.

Financial and bond debt as at 31 December 2025 totalled 8,907.8 million euro (7,294.9 million euro as at 31 December 2024) and referred to bonds (6,160.8 million euro), European Investment Bank (EIB) loan agreements (744.7 million euro), payables to banks (1,522.8 million euro), IFRS 16 financial debt (6.3 million euro) and financial debt to subsidiaries (473.2 million euro).

As at 31 December 2025, fixed-rate debt accounted for 73.1% of financial and bond debt (82.3% as at 31 December 2024), while floating-rate debt stood at 26.9% (17.7% as at 31 December 2024).

Reclassified Statement of Cash Flows

(€ million)	For the year ended 31 December 2024	For the year ended 31 December 2025
Profit	422.5	356.1
<i>Correction:</i>		
- Amortisation, depreciation and other non-monetary components	0.6	10.9
- Interest, income taxes and dividends	(426.7)	(365.4)
Change in working capital due to operating activities	(106.2)	23.8
Dividends, interest and income taxes collected (paid)	443.7	432.8
Cash flow from operating activities	333.9	458.2
Technical investments	(2.5)	(1.4)
Equity investments	(30.0)	0.0
Net financial investments instrumental to operating activities	(333.8)	(902.4)
Other changes related to investing activity	(0.2)	0.2
Disinvestments and other changes	0.0	0.0
Free cash flow before Merger and Acquisition transactions	(32.6)	(445.4)
Acquisition of equity investments	0.0	(2,071.9)
of which:		
price paid for equity before net cash acquired	0.0	(2,071.9)
Free cash flow	(32.6)	(2,517.3)
Change in short- and long-term financial debt and financial receivables	383.1	2,017.6

Repayment of lease liabilities	(2.3)	(1.9)
Capital contribution from third parties	0.0	1,023.0
Equity cash flow	(285.6)	(329.5)
Other changes	0.0	(23.8)
Cash flow for the year	62.6	168.1

Change in net financial debt

(€ million)	As of 31 December 2024	As of 31 December 2025
Free cash flow	(32.6)	(2,517.3)
Increase in lease liabilities	(0.2)	(0.3)
Equity cash flow	(285.6)	(329.5)
Capital contribution from third parties	0.0	1,023.0
Other changes	(28.3)	(67.2)
Change in net financial debt	(346.7)	(1,891.3)

4.3 Non – GAAP Measures

Alternative performance measures

On 5 October 2015, the ESMA (European Security and Markets Authority) published its guidance (ESMA/2015/1415) on the presentation criteria for alternative performance measures (API or APM), which replaces the CESR/05-178b recommendations from 3 July 2016. The NON-GAAP financial report must be considered complementary to and not replacing the reports prepared according to IAS – IFRS. The alternative performance measures adopted in this report are illustrated below.

Alternative economic performance measures	Description
Gas distribution regulated revenue	Operating performance indicator representing revenues from regulated gas distribution activities, calculated by subtracting Other revenues from Revenues and other income. Other revenues is revenue from unregulated activities, revenue for construction and enhancement of infrastructures recognised pursuant to IFRIC 12, the release of connection contributions relating to the financial year and any other components entered in the statement of reconciliation of the income statement of the subsequent chapter "Reconciliation of the reclassified income statement, statement of financial position and statement of cash flows".
Total revenues and other income	Total revenues and other income excludes (i) the effects of applying IFRIC 12 "Service Concession Arrangements", (ii) connection fees, (iii) reimbursements from third parties and other residual items.
Total revenues and other income adjusted	Total revenues and other income excludes (i) the effects of applying IFRIC 12 "Service Concession Arrangements", (ii) connection fees, (iii) reimbursements from third parties and other residual items, (iv) items classified as "special items", i.e., deriving from: (a) non-recurring events or transactions or from transactions or events which do not occur frequently in the ordinary course of business; (b) events or transactions which are not representative of the normal course of business, or (c) economic components that do not generate cash flows, typically of an accounting nature (non-cash movement).
Operating costs	Operating performance indicator representing the legally-required operating costs minus costs for construction and enhancement of the infrastructure recognised pursuant to IFRIC 12 and any other components entered in the statement of reconciliation of the income statement of the subsequent chapter "Reconciliation of the reclassified income statement, statement of financial position and statement of cash flows".
EBITDA	Operating performance indicator, calculated as net profit excluding income taxes, net income from equity investments, net financial expense, amortisation, depreciation and impairment.
Adjusted EBITDA	Adjusted EBITDA is calculated as the net profit for the year excluding income taxes, net income from equity investments, net financial expense, amortisation, depreciation and impairment, connection fees and items classified as "special items", i.e. from: (a) non-recurring events or transactions or from transactions or events which do not occur frequently in the ordinary course of business; (b) events or transactions which are not representative of the normal course of business, or (c) economic components that do not generate cash flows, typically of an accounting nature (non-cash movement).
EBIT	Operating performance indicator, calculated as net profit for the year excluding income taxes, net income from equity investments and net financial expense.

Adjusted EBIT	Adjusted EBIT is calculated as net profit for the year excluding income taxes, net income from equity investments, net financial expense and items classified as "special items", i.e. from: (a) non-recurring events or transactions or from transactions or events which do not occur frequently in the ordinary course of business; (b) events or transactions which are not representative of the normal course of business, or (c) economic components that do not generate cash flows, typically of an accounting nature (non-cash movement).
Adjusted Profit before taxes	Net profit for the year excluding income taxes and items classified as "special items", i.e. from: (a) non-recurring events or transactions or from transactions or events which do not occur frequently in the ordinary course of business; (b) events or transactions which are not representative of the normal course of business, or (c) economic components that do not generate cash flows, typically of an accounting nature (non-cash movement).
Adjusted income taxes	Income taxes excluding items classified as "special items", i.e. from: (a) non-recurring events or transactions or from transactions or events which do not occur frequently in the ordinary course of business; (b) events or transactions which are not representative of the normal course of business, or (c) economic components that do not generate cash flows, typically of an accounting nature (non-cash movement).
Adjusted net profit	Net profit for the year excluding items classified as "special items", i.e. from: (a) non-recurring events or transactions or from transactions or events which do not occur frequently in the ordinary course of business; (b) events or transactions which are not representative of the normal course of business, or (c) economic components that do not generate cash flows, typically of an accounting nature (non-cash movement).
Adjusted net profit attributable to the Group	Net profit for the year attributable to Owners of the parent company excluding items classified as "special items" attributable to Owners of the parent company, i.e. from: (a) non-recurring events or transactions or from transactions or events which do not occur frequently in the ordinary course of business; (b) events or transactions which are not representative of the normal course of business, or (c) economic components that do not generate cash flows, typically of an accounting nature (non-cash movement).
Adjusted net profit attributable to non-controlling interests	Non-controlling interests excluding items classified as "special items" attributable to Owners of the parent company, i.e. from: (a) non-recurring events or transactions or from transactions or events which do not occur frequently in the ordinary course of business; (b) events or transactions which are not representative of the normal course of business, or (c) economic components that do not generate cash flows, typically of an accounting nature (non-cash movement).
Adjusted Earnings per Share	Indicator of the profitability of the company's shares, calculated as the ratio between the net profit attributable to the Group and the total number of shares.
Alternative capital performance measures	
Net working capital	Description A capital indicator that expresses the capital employed in current and non-financial assets and liabilities. This is defined as the sum of the values relating to Trade receivables and payables, Inventories, Tax receivables and payables, Provisions for risks and charges, Prepaid taxes, Deferred tax liabilities and Other assets and liabilities.
Fixed capital	A capital indicator that expresses the total fixed assets. It is defined as the sum of the values relating to items of Property, plant and equipment, Intangible assets net of Other liabilities relating to connection contributions, Equity investments and Net payables relating to investment activities.
Net invested capital	A capital indicator that expresses the investments made by the company in operations. This is defined as the sum of the values related to fixed capital, net working capital, provisions for employee benefits and assets held for sale and directly related liabilities.
Investments	They are calculated as the sum of investments in property, plant and equipment and investments in intangible assets.
Alternative financial performance measures	
Cash flow from operating activities	Description It represents the net cash flow from the operating activity of the mandatory schemes, excluding the effects deriving from the application of the IFRS 15 accounting standard (Other liabilities relating to connection contributions).
Free cash flow before Merger and Acquisition transactions	It represents the cash surplus or deficit remaining after the financing of investments, excluding the flow deriving from Merger and Acquisition transactions.
Free cash flow	It represents the cash surplus or deficit remaining after financing of the investments.
Net financial debt	Determined as the sum of current and non-current financial liabilities, net of cash and cash equivalents, current financial assets, for instance securities held for trading, and other current and non-current financial assets.

Reconciliation of the reclassified Income Statement, Statement of Financial Position and Statement of Cash Flows

In line with ESM/2015/1415 guidance, the reconciliation of the Income Statements, Statements of Financial Position and Statements of Cash Flows of the Italgas Group and Italgas S.p.A., commented in the Directors' Report is provided below with the related legally required statements.

In compliance with the ESMA provisions for the taxonomy of ESEF (European Single Electronic Format) annual financial statements, a number of items in the financial position and income statement were reclassified, also readjusting the values as at 31 December 2025.

For more details, see the "Financial Statements" section of the notes to the consolidated financial statements and separate financial statements.

Reconciliation between reclassified consolidated financial statements and the legally required financial statements

RECLASSIFIED INCOME STATEMENT

(€ million)	Reference to the explanatory notes of the condensed consolidated interim financial statements	For the year ended 31 December 2024			For the year ended 31 December 2025		
		Figures from mandatory statements	Partial figures from mandatory statements	Figures from reclassified statements	Figures from mandatory statements	Partial figures from mandatory statements	Figures from reclassified statements
Revenues (from mandatory statements)		2,539.4			3,589.1		
- Revenues for construction and upgrading of distribution infrastructures IFRIC 12	(note 27)		(746.5)			(995.6)	
- Connection contribution uses	(note 27)		(19.0)			(35.0)	
- Reimbursement of faulty meters	(note 27)		(16.6)			(10.9)	
- Repayments from third parties	(note 27)		(14.3)			(11.4)	
- Operational performance vs. Campania Region	(note 27)		(2.6)			(0.8)	
- Other reimbursement	(note 27)		(0.1)			-	
Total revenues and other income (from reclassified statements)				1,740.3			2,535.4
Operating costs (from mandatory statements)		(1,220.7)			(1,684.9)		
- Revenues for construction and upgrading of distribution infrastructures IFRIC 12	(note 27)		746.5			995.6	
- Reimbursement of faulty meters	(note 27)		16.6			10.9	
- Repayments from third parties	(note 27)		14.3			11.4	
- Operational performance vs. Campania Region	(note 27)		2.6			0.8	
- Other reimbursement	(note 27)		0.1			-	
- Other changes	(note 27)		-			-	
- Use of metering provision	(note 28)		12.6			19.3	
Operating costs (from reclassified statements)				(427.9)			(646.8)
EBITDA				1,312.4			1,888.6
Amortisation, depreciation and impairment of assets (from mandatory statements)		(536.6)			(693.1)		
- Connection contribution uses	(note 27)		19.0			35.0	
- Other changes	(note 27)		-			-	
- Use of metering provision	(note 28)		(12.6)			(19.3)	
Amortisation, depreciation and impairment of assets (from reclassified statements)				(530.2)			(677.5)
EBIT		782.1		782.2	1,211.1		1,211.1
Net financial expense		(120.6)		(120.6)	(236.4)		(236.4)
Net income from equity investments		11.2		11.2	10.9		10.9
Profit before taxes		672.8		672.8	985.7		985.7
Income taxes		(165.3)		(165.3)	(279.9)		(279.9)
Profit (loss)		507.5		507.5	705.8		705.8

RECLASSIFIED STATEMENT OF FINANCIAL POSITION

(€ million)	As of 31 December 2024			As of 31 December 2025	
(Where not expressly indicated, the item is obtained directly from the legally-required statement)	Reference to the explanatory notes of the consolidated financial statements	Partial figures from mandatory statements	Figures from reclassified statements	Partial figures from mandatory statements	Figures from reclassified statements
Fixed capital					
Property, plant and equipment			383.3		488.1
Intangible assets, of which:			8,305.6		13,560.6
- Intangible assets	(note 13)	8,833.3		14,723.3	
from which to deduct Connection contributions	(note 20)	(527.7)		(1,162.7)	
Equity investments			176.1		192.0
Financial receivables and securities instrumental to operations			319.5		324.0
Net payables relating to investment activities, composed of:			(407.4)		(474.7)
- Trade and other payables (Payables for investment activities)	(note 18)	(412.7)		(479.0)	
- Trade receivables and other receivables (Receivables from investment/divestment activities)	(note 8)	5.3		4.3	
Total fixed capital (from reclassified statements)			8,777.1		14,090.0
Net working capital					
Trade receivables			740.4		1,217.5
Inventories			57.2		74.7
Tax assets, composed of:			420.8		312.5
- Current and non-current tax receivables/liabilities (non-current tax receivables)	(note 10)	17.7		20.9	
- Other current and non-current non-financial assets (Other current taxes)	(note 11)	37.9		53.1	
- Trade receivables and other receivables (IRES receivables for national tax Consolidation scheme)	(note 8)	5.2		1.0	
- Prepaid taxes	(note 23)	-		-	
- Reclassification to Tax Receivables for Super/Ecobonus Receivables	(note 11)	360.0		237.5	
Other assets, composed of:			608.0		725.1
- Trade receivables and other receivables (Other receivables)	(note 8)	142.0		184.4	
- Other current and non-current non-financial assets	(note 11)	379.7		265.2	
- Reclassification to Tax Receivables for Super/Ecobonus Receivables	(note 11)	(360.0)		(237.5)	
- Other current and non-current non-financial assets (Other regulated activities)	(note 11)	446.3		513.0	
Trade payables			(249.7)		(377.1)
Provisions for risks and charges			(92.1)		(120.4)
Deferred tax liabilities			(48.3)		(12.2)
Tax payables, composed of:			(39.3)		(52.3)
- Current and non-current tax receivables/liabilities (Current tax liabilities)	(note 11)	(25.6)		(2.5)	
- Other current and non-current non-financial liabilities (Other tax liabilities)	(note 20)	(13.7)		(41.6)	
Other liabilities, composed of:			(562.0)		(980.1)
- Trade and other payables (Other payables)	(note 18)	(522.2)		(911.5)	
- Other current and non-current non-financial liabilities	(note 20)	(39.8)		(68.6)	
Total net working capital (from reclassified statements)			835.1		787.7
Provisions for employee benefits			(61.3)		(80.5)
Assets held for sale:			5.40		236.5
NET INVESTED CAPITAL			9,556.3		15,033.7
Equity including non-controlling interests			(2,793.5)		(4,165.9)
Net financial debt					
Financial and bond debt, composed of:			(7,185.8)		(11,416.9)
- Non-current financial liabilities	(note 16)	(6,161.1)		(10,362.5)	
Net non-current financial liabilities, composed of:					
- Short-term portions of long-term financial debt	(note 16)	(637.6)		(879.4)	
- Short-term financial liabilities	(note 16)	(296.6)		(41.0)	
Other financial debt	(note 16)				
- Financial debt pursuant to IFRS 16	(note 16)	(90.5)		(134.0)	
Other current and non-current financial assets/liabilities, composed of:			16.9		13.2
Current Cash flow hedge derivative financial instruments	(note 19)	5.9		4.5	
Non-current Cash flow hedge derivative financial instruments	(note 19)	11.0		8.7	
Financial receivables and cash and cash equivalents, composed of:			406.1		535.9
Cash and cash equivalents			402.7		531.9
Current financial assets, composed of:			3.4		4.0
Financial receivables non-instrumental to operations	(note 7)	4.8		3.9	
Total net financial debt (from reclassified statements)			(6,762.8)		(10,867.8)
FUNDING			(9,556.3)		(15,033.7)

RECLASSIFIED STATEMENT OF CASH FLOWS

(€ million)	For the year ended 31 December 2024		For the year ended 31 December 2025	
	Partial figures from mandatory statements	Figures from reclassified statements	Partial figures from mandatory statements	Figures from reclassified statements
Profit			507.5	705.8
Correction:				
Amortisation, depreciation and other non-monetary components:		518.0		710.7
- Amortisation and depreciation	549.1		712.3	
- Net impairment of property, plant and equipment and intangible assets	-		1.7	

- Connection contributions - uses	(19.0)		-	
- Results from investments accounted for using the equity method	(11.2)		(10.9)	
- Stock grant	(0.9)		7.6	
Net capital losses (capital gains) on asset sales and eliminations		5.6		2.2
Interest, income taxes and other changes:		285.9		516.3
- Interest income	(28.9)		(20.9)	
- Interest expense	149.5		257.4	
- Income taxes	165.3		279.9	
Change in working capital due to operating activities:		(97.7)		127.2
- Inventories	29.0		2.3	
- Trade receivables and other receivables	(174.7)		(88.1)	
- Trade and other payables	(172.0)		(86.9)	
- Change to provisions for risks and charges	(20.0)		(39.7)	
- Other assets and liabilities	247.1		353.1	
from which to deduct Deferrals for connection contributions - increases	-		-	
from which to deduct Deferrals for connection contributions - uses	(19.0)		-	
- Change in provisions for employee benefits	(7.1)		(13.5)	
Dividends, interest and income taxes cashed in (paid):		(120.6)		(437.1)
- Dividends cashed in	1.0		1.1	
- Interest income	13.6		6.4	
- Interest paid	(107.4)		(180.8)	
- Income taxes (paid) refunded	(27.8)		(263.8)	
Cash flow from operating activities		1,098.7		1,625.1
Technical investments:		(845.4)		(1,087.3)
- Property, plant and equipment	(33.5)		(43.0)	
- Intangible assets	(811.9)		(1,044.3)	
- Connection contributions - increases	-		-	
- Change in payables for investing activity		37.0		(24.1)
- Other changes		(1.9)		-
Disinvestments:		27.6		5.2
- Property, plant and equipment	3.3		3.0	
- Intangible assets	11.2		1.1	
- Sale of non-controlling interests	-		0.1	
- Securities	11.0		1.0	
- Companies outside the scope of consolidation and units	2.1		-	
Free cash flow before M&A transactions		316.0		518.9
Change in scope of consolidation		19.8		(2,062.8)
- Price paid for equity	(14.5)		(2,071.9)	
- Cash and cash equivalents from companies in the scope of consolidation	34.3		9.1	
Acquisition of companies, plant and other financial assets		(77.9)		-
Free cash flow		258.0		(1,543.9)
Change in financial debt:		228.6		1,069.2
- Change in short- and long-term financial debt	227.9		1,067.8	
- Cash and cash equivalents from companies in the scope of consolidation	-		1.4	
- Medium- to long-term financial receivables	0.7		-	
Reimbursements of lease liabilities		(34.1)		(46.7)
Capital contribution from third parties		-		1,023.0
Equity cash flow		(299.8)		(348.7)
Other changes		-		(23.7)
Cash flow for the year		152.7		129.2

Reconciliation between reclassified financial statements of Italgas S.p.A. and the legally required financial statements

RECLASSIFIED INCOME STATEMENT

(€ million)	Reference to the explanatory notes of the financial statements	For the year ended 31 December 2024			For the year ended 31 December 2025		
		Figures from mandatory statements	Partial figures from mandatory statements	Figures from reclassified statements	Figures from mandatory statements	Partial figures from mandatory statements	Figures from reclassified statements
Revenues (from mandatory statements)		85.3			126.7		
- Income for seconded personnel	(note 24)		(5.7)			(6.1)	
- Recharge of meal vouchers			-			(6.9)	
- Recharge of time-recording systems			-			(0.6)	
- Recharged revenues			-			(21.8)	

- Work revenues				(0.2)	
Total revenues and other income (from reclassified statements)		79.6			91.0
Operating costs (from mandatory statements)	(86.8)		(132.9)		
- Income for seconded personnel	(note 24)	5.7		6.1	
- Recharge of meal vouchers		-		6.9	
- Recharge of time-recording systems		-		0.6	
- Recharged revenues		-		21.8	
- Work revenues				0.2	
Operating costs (from reclassified statements)		(81.1)			(97.3)
EBITDA		(1.5)			(6.2)
Amortisation, depreciation and impairment	(2.7)	(2.7)	(3.2)		(3.2)
Operating result	(4.3)	(4.3)	(9.4)		(9.4)
Net financial expense	3.6	3.6	(37.9)		(37.9)
Net income from equity investments	428.2	428.2	396.6		396.6
Profit before taxes	427.6	427.6	349.2		349.2
Income taxes	(5.1)	(5.1)	6.9		6.9
Profit (loss)	422.5	422.5	356.1		356.1

RECLASSIFIED STATEMENT OF FINANCIAL POSITION

(€ million)		As of 31 December 2024		As of 31 December 2025	
(Where not expressly indicated, the item is obtained directly from the legally-required statement)	Reference to the explanatory notes of the financial statements	Partial figures from mandatory statements	Figures from reclassified statements	Partial figures from mandatory statements	Figures from reclassified statements
Fixed capital					
Property, plant and equipment			12.3		10.5
Intangible assets			1.9		1.9
Equity investments, composed of:			3,441.4		5,485.5
Equity investments	(note 14)	3,427.4		5,468.8	
Other equity investments	(note 8)	14.0		16.7	
Net payables for investing activity			(0.1)		(0.2)
Financial receivables and securities instrumental to operations			4,514.4		5,447.5
Total fixed capital (from reclassified statements)			7,969.9		10,945.2
Net working capital					
Trade receivables			76.2		75.6
Tax assets, composed of:			86.7		51.8
- Current and non-current tax receivables	(note 10)	4.6		2.8	
- Other current and non-current non-financial assets	(note 11)	79.7		35.3	
- Group VAT receivables	(note 9)	2.4		13.7	
Other assets			5.4		2.3
Trade payables			(19.9)		(26.9)
Provisions for risks and charges			(4.8)		(2.7)
Deferred tax liabilities			(1.1)		0.1
Tax payables, composed of:			(32.6)		(30.2)
- Current and non-current tax liabilities	(note 10)	(7.6)		(0.4)	
- Other current and non-current non-financial liabilities	(note 18)	(2.1)		(2.8)	
- Payables for tax consolidation	(note 17)	(14.9)		-	
- Group VAT payables	(note 17)	(8.0)		(27.0)	
Other liabilities			(12.7)		(15.4)
Total net working capital (from reclassified statements)			97.2		54.6
Provisions for employee benefits			(8.4)		(8.2)
NET INVESTED CAPITAL			8,058.7		10,991.6
Equity including non-controlling interests			(1,961.9)		(3,003.5)
Net financial debt					
Financial and bond debt, composed of:			(7,294.9)		(8,907.8)
- Long-term financial liabilities	(note 16)	(5,930.2)		(8,262.1)	
- Short-term portions of long-term financial debt	(note 16)	(631.3)		(166.3)	
- Short-term financial liabilities	(note 16)	(725.5)		(473.0)	
- Financial debt pursuant to IFRS 16	(note 16)	(7.9)		(6.4)	
Hedging derivative contracts Cash flow Hedge, consisting of:			15.1		12.0
Short-term contracts	(note 19)	4.7		3.7	
Long-term contracts	(note 19)	10.4		8.3	
Financial receivables and cash and cash equivalents, composed of:			1,183.0		907.7
- Financial receivables non-instrumental to operations	(note 8)	914.7		471.3	
- Cash and cash equivalents	(note 7)	268.3		436.4	
Total net financial debt (from reclassified statements)			(6,096.8)		(7,988.1)
FUNDING			(8,058.7)		(10,991.6)

RECLASSIFIED STATEMENT OF CASH FLOWS

(€ million)		For the year ended 31 December 2024		For the year ended 31 December 2025	
Reclassified Statement of Cash Flows items and intersection of legally-required statement items		Partial figures from mandatory statements	Figures from reclassified statements	Partial figures from mandatory statements	Figures from reclassified statements
Profit			422.5		356.1
Correction:					
Amortisation, depreciation and other non-monetary components:			0.6		10.9
- Amortisation and depreciation		2.7		3.2	
- Impairment of equity investments		-		-	
- Stock grant		(2.1)		7.7	
Interest, income taxes and other changes:			(426.7)		(365.4)
- Interest income and dividends		(562.1)		(152.1)	
- Interest expense		130.3		190.0	
- Income taxes		5.1		(6.9)	
- Dividends		-		(396.4)	

Change in working capital due to operating activities:		(106.2)		23.8
- Inventories	-		-	
- Trade receivables and other receivables	(107.6)		41.3	
- Trade and other payables	2.8		(39.5)	
- Change to provisions for risks and charges	(0.9)		(2.1)	
- Other assets and liabilities	0.0		24.60	
Change in provisions for employee benefits	(0.5)		(0.5)	
Dividends, interest and income taxes cashed in (paid):		443.7		432.7
- Dividends and other income cashed in from equity investments	428.2		396.5	
- Interest income	106.0		125.6	
- Interest paid	(89.4)		(136.1)	
- Income taxes (paid) refunded	(1.1)		46.7	
Cash flow from operating activities		333.9		458.1
Technical investments:		(2.5)		(1.3)
- Property, plant and equipment	(2.4)		(1.2)	
- Intangible assets	(0.1)		(0.1)	
Equity investments		(30.0)		0.0
Financial receivables instrumental to operating activities		(333.8)		0.0
Other changes related to divestment activities		-		(902.3)
		0.2		
Free cash flow before M&A transactions		(32.6)		(445.5)
Change in scope of consolidation		0.0		(2,071.9)
of which:				
<i>price paid for equity before cash acquired</i>	0.0		(2,071.9)	
Free cash flow		(32.6)		(2,517.5)
Change in financial debt:		383.1		2,017.6
- Change in short- and long-term financial debt	358.8		1,574.1	
- Cash and cash equivalents from companies in the scope of consolidation				
- Medium- to long-term financial receivables	24.3		443.5	
Reimbursements of lease liabilities		(2.3)		(1.9)
Capital contribution from third parties				999.4
Equity cash flow		(285.6)		(329.5)
Other changes				
Cash flow for the year		62.6		168.1

4.4 Other information

Treasury shares

The company did not own any treasury shares as at 31 December 2025.

Related party transactions

Based on Italgas' current ownership structure, pursuant to paragraph 9 of the IAS 24, Italgas related parties include, in addition to directors, statutory auditors, executives with strategic responsibilities, companies associated with the Group or under its joint control, also the subsidiaries directly or indirectly controlled by CDP, therefore including the shareholder Snam, and the Ministry of Economy and Finance (MEF).

Following the entry into force of Article 13, paragraph 1-bis, of Decree-Law No. 95/2025, as converted into Law No. 118/2025, and Article 1, paragraph 268, of the 2026 Budget Law, the Company amended its internal procedures for the purposes of the regulation of transactions with related parties pursuant to Article 2391-bis of the Italian Civil Code. The recent legislation that has entered into force has established that no relationships of correlation exist, for the purposes of Article between public administrations that do not exercise direction and coordination powers and the companies in which they hold shareholdings, including indirect shareholdings.

The following disclosures are provided pursuant to IAS 24. Transactions with related parties entered into by the Italgas Group relate to the exchange of assets, the provision of services and, in the case of CDP, the provision of financial resources.

These transactions are part of ordinary business operations and are generally settled at arm's length, i.e. the conditions which would be applied between two independent parties. All transactions entered into were carried out in the interest of the Italgas Group companies.

CDP and CDP Reti consolidate Italgas pursuant to IFRS 10. In addition, through the Board of Directors' decision of 1 August 2019, CDP reclassified its investment in Italgas S.p.A. as a controlling interest pursuant to Article 2359, paragraph 1.2) of the Italian Civil Code and Article 93 of the TUF. Italgas is not subject to direction and coordination activities by CDP.

As at 31 December 2025, Italgas manages and coordinates its subsidiaries, pursuant to Article 2497 et seq. of the Italian Civil code.

The amount involved in commercial, miscellaneous and financial relations with related parties, descriptions of the key transactions and the impact of these on the balance sheet, income statement and cash flows, are provided in the section "Related-party transactions" of the Notes to the consolidated and annual financial statements.

Relations with Key Managers are shown in the section "Operating costs" of the Notes to the consolidated financial statements.

Operating performance of subsidiaries

For information on the outlook of areas where Italgas operates in whole or in part through subsidiaries, please refer to “Operating performance” and “Comment on the economic and financial results” of this Report.

Branch offices

In compliance with Art. 2428, fourth paragraph of the Italian Civil Code, note that the Italgas does not have secondary offices.

Research and development

Research and development activities carried out by Italgas are not of a considerable amount. For more details, see the notes to the Consolidated Financial Statements.

Significant events after year end

The significant transactions carried out after 31 December 2025 are summarised below. The Integrated Annual Report has been submitted to the examination of the Company’s Board of Directors and its publication was authorised within the terms and in accordance with the procedure prescribed by law. Therefore, this document does not note any events that occurred subsequent to that date.

Extraordinary transactions and area tenders

- On 15 January 2026, a new plant came into operation in Porto Tolle (RO), connecting the biomethane produced by Azienda Agricola Canella Giancarlo to the Italgas network.

Legal and Regulatory Framework

- With Order published on 27 January 2026, the Regional Administrative Court (TAR) of Friuli-Venezia Giulia rejected the precautionary request of Italgas Reti to suspend the tender notice for the concession of the gas distribution service in the Pordenone Area. The TAR ruled that the risks highlighted by the company were non-existent and ruled out a serious and irreparable detriment, since the timing of the judgement would allow for a decision on the merits before the deadline for the submission of offers (3 June 2026). The public hearing to discuss the appeal has been scheduled for 10 March 2026.
- With Resolution no. 9/2026/R/gas, the Authority approved the amounts to cover the extra-costs associated with the extension of the verification obligations of metering instruments in the years 2018 and 2019 by distribution companies that filed separate annual accounts according to the ordinary accounting unbundling regime.
- On 20 February, the “Energy Decree” (Decree-Law No. 21 of 20 February 2026) was published in the Official Gazette, introducing a series of urgent measures aimed at containing energy costs in favour of households and businesses. The measures include the 2% increase to IRAP, applied to large operators in the energy sector, including gas distribution. This temporary “energy tax” measure was designed to gather useful resources to fund bonuses and discounts on bills.

5. Operating segment operating performance

Consistent with the manner in which Management reviews the Group's operating results and in compliance with the provisions of the international accounting standard IFRS 8 "Operating segments", the Italgas Group has identified the following operating segments: "Gas distribution", "Water service", "Energy efficiency" and "Corporate"³⁹.

More precisely, the "Gas Distribution" sector is associated with gas distribution and metering activities carried out by Group companies both in Italy and in Greece.

The "Water service" sector consists of all public services of the collection, adduction and distribution of water for civil use, drains and the purification of waste water.

The "Energy Efficiency" sector refers to activities carried out in the energy sector. Italgas offers and implements energy efficiency measures for its customers in the residential and industrial sectors.

"Corporate" includes the services provided to third parties by the Parent Company Italgas.

Below is a breakdown of the main economic performance indicators by sector:

(€ million)	For the year ended 31 December 2024	For the year ended 31 December 2025	For the year ended 31 December 2025* pro rata
Adjusted Gas Distribution Sector (regulated and unregulated)	1,652.7	2,323.9	2,323.9
Adjusted Water Service Sector	94.7	95.4	199.0
Adjusted Energy efficiency sector	48.2	92.9	92.9
Adjusted corporate	85.3	126.2	126.2
Intra-sector eliminations	(102.1)	(154.2)	(154.2)
Total revenues and other income adjusted	1778.8	2,484.2	2,587.8
Adjusted gas distribution sector	1,308.5	1,838.2	1,838.2
Adjusted Water Service Sector	39.7	37.5	65.1
Adjusted Energy efficiency sector	4.2	14.4	14.4
Adjusted corporate	(1.5)	(6.7)	(6.7)
Adjusted EBITDA	1350.9	1,883.4	1,911.1
Adjusted gas distribution sector	812.3	1,197.2	1,197.2
Adjusted Water Service Sector	12.3	7.6	20.5
Adjusted Energy efficiency sector	0.4	10.4	10.4
Adjusted corporate	(4.3)	(9.5)	(9.5)
Adjusted EBIT	820.7	1,205.9	1,218.8

* Unaudited values

³⁹ With regard to the services provided to third parties by the Parent Company Italgas, taking into account the residual nature of the values and deletions, no evidence is provided in this document.

5.1 Gas distribution sector

Main economic and financial indicators

The following table summarises the main items of the adjusted financial statements:

(€ million)	For the year ended 31 December 2024	For the year ended 31 December 2025
Total revenues and other income adjusted (regulated and unregulated)	1,652.7	2,323.9
Adjusted EBITDA	1,308.5	1,838.2
Adjusted EBIT	812.3	1,197.2

Total revenues and other income adjusted of the Gas Distribution segment as at 31 December 2025 amount to 2,323.9 million euro (1,652.7 million euro in 2024), an increase of 671.2 million euro deriving from the new scope of consolidation including 2i Rete Gas. Adjusted operating profit increased by 384.9 million euro (+47.4% compared to the previous year), from 812.3 million euro as at 31 December 2024 to 1,197.2 million euro as at 31 December 2025.

Operating performance

Investments

In 2025, technical investments amounting to 1,164.9 million euro were made (850.4 million euro in 2024), of which 67.9 million euro were related to investments accounted for in accordance with IFRS 16, with the laying of an additional 960 km of pipeline.

(€ million)	As of 31 December 2024	As of 31 December 2025	Abs. change	% Change
Distribution	538.7	730.9	192.2	35.7
Network maintenance and development	438.8	659.4	220.6	50.3
New networks	99.9	71.5	(28.4)	(28.4)
Digitisation	242.9	287.6	44.7	18.4
Other assets	99.7	112.7	13.0	13.0
Metering	115.9	138.4	22.5	19.4
Processes	27.3	36.5	9.2	33.7
- of which the effect of IFRS 16	-	10.7	10.7	-
Other investments	68.8	146.4	77.6	-
- of which Real Estate	20.8	37.2	16.4	78.8
- of which ICT	22.8	39.6	16.8	73.7
- of which right of use and concessions	21.5	57.2	35.7	-
	850.4	1,164.9	314.5	37.0

Investments related to gas distribution (730.9 million euro) increased by 35.7% compared to 2024, as a result of the new scope arising from the acquisition of 2i Rete Gas.

Investments in digitisation (287.6 million euro) increased by 18.4% compared with 2024, despite the gradual completion of the digitisation process of Italgas' legacy network in Italy, thanks to the launch of the technological upgrade plan for the former 2i Rete Gas infrastructure.

Operating figures

Key operating figures for gas distribution				
Italgas Group and affiliates (Italy and Greece)	As of 31 December 2024	As of 31 December 2025	Abs. change	% Change
Active meters (millions)*	8,020	12,867	4,847	60.4
Municipalities with gas distribution concessions (no.)**	2,099	4,338	2,239	-
Municipalities with gas distribution concessions in operation (no.)***	2,024	4,245	2,221	-
Distribution network (kilometres)	83,811	156,655	72,844	86.9
Gas distributed (million cubic metres)	8,188	11,409	3,221	39.3

Key operating figures for gas distribution				
Italgas Group (Italy and Greece)	As of 31 December 2024	As of 31 December 2025	Abs. change	% Change
Active meters (millions)*	7,867	12,714	4,847	61.6
Municipalities with gas distribution concessions (no.)**	2,038	4,277	2,239	-
Municipalities with gas distribution concessions in operation (no.)***	1,963	4,184	2,221	-
Distribution network (kilometres)	81,907	154,740	72,833	88.9
Gas distributed (million cubic metres)	7,929	11,160	3,231	40.7

* The 2025 figure includes the active meters acquired from the 2i Rete Gas Group (+4,850 million).

** The 2025 figure includes the municipalities acquired from the 2i Rete Gas Group (2,227 municipalities, all in operation).

*** The 2025 figure includes the distribution network acquired from the 2i Rete Gas Group (+72,232 kilometres).

Legislative and regulatory framework

Gas distribution tariff regulation - Italy

The distribution and metering of natural gas is regulated by the Regulatory Authority for Energy, Networks and Environment (ARERA).

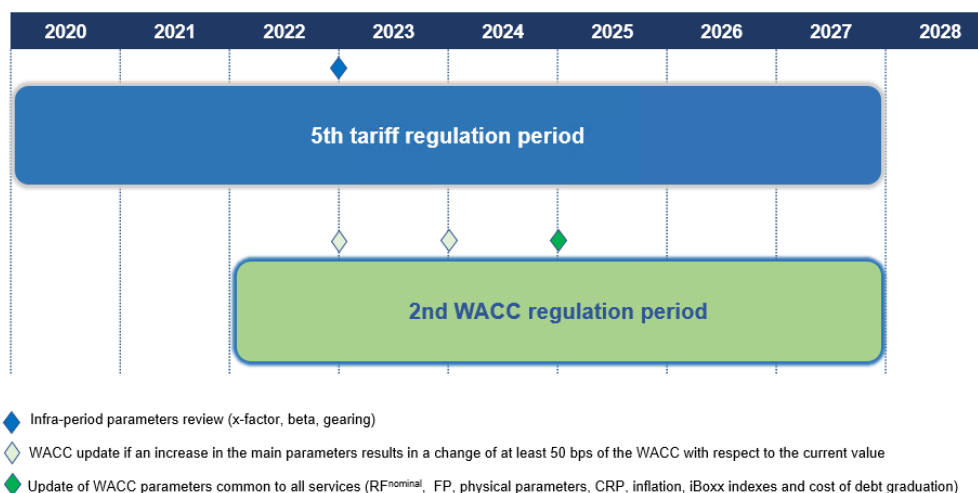
The rate system establishes in particular that the reference revenues for the formulation of rates is determined so as to cover the costs incurred by the operator and allow for a fair return on invested capital. Three cost categories are recognised:

- the cost of net invested capital for RAB (Regulatory Asset Base) purposes through the application of a rate of return of the same;
- economic-technical amortisation/depreciation, hedging investment costs;
- operating costs, hedging operational costs.

The main rate elements are reported below on the basis of the regulatory framework (Resolution no. 570/2019/R/gas as amended):

HIGHLIGHTS FIFTH REGULATION PERIOD (1/1/2020 TO 31/12/2027)				
End of regulation period (tariffs)	31 December 2027			
Calculation of net invested capital recognised for regulatory purposes (RAB)	Local RAB: Historical cost revalued Centralised RAB: Parametric Method			
Remuneration of equity for regulatory purposes (WACC _{pre-tax})	• 6.3%: 2020 and 2021 • 5.6%: 2022 and 2023 • 6.5%: 2024 • 5.9%: 2025 and 2026			
Efficiency factor (X-factor)	Set by Resolution no. 570/2019/R/gas	Updated with Resolution no. 409/2023/R/gas	Updated with Resolution no. 87/2025/R/gas	Updated with Resolution no. 532/2025/R/gas (2026 and 2027)
	Operating costs	Operating costs	Operating costs	Operating costs
	A) distribution • 3.53% for large enterprises • 4.79% for medium-sized enterprises • 6.59% for small enterprises	A) distribution • 3.39% for large enterprises • 4.62% for medium-sized enterprises • 6.46% for small enterprises	A) distribution • 2.74% for large enterprises • 4.77% for medium-sized enterprises • 6.55% for small enterprises	A) distribution • 0% for large enterprises • 0% for medium-sized enterprises • 0% for small enterprises
	B) metering: • 0%	B) metering: • unchanged	B) metering: • unchanged	B) metering: • unchanged
	C) marketing: • 1.57%	C) marketing: • unchanged	C) marketing: • unchanged	C) marketing: • 0%

The RAB of the Italian companies currently included in the scope of consolidation, calculated by applying the criteria adopted by the Authority, with reference to investments made up to 31 December 2025, in the definition of the reference tariffs, is equal to approximately 14.7 billion euro.



- Resolution no. 570/2019/R/gas approved the tariff regulation of gas distribution and metering services for the fifth regulatory period 2020-2025 and Resolution no. 737/2022/R/gas approved the infra-period update of the tariff regulation of gas distribution and metering services, for the second half-period 2023-2025 of the current regulatory period. The regulatory period has been extended until the end of 2027 by Resolution no. 221/2025/R/gas.
- Resolution no. 614/2021/R/com approved the criteria for determining and updating the rate of return on invested capital for the infrastructural services of the electricity and gas sectors for the 2022-2027 period (TIWACC 2022-2027). The 2PWACC is split into two sub-periods, each lasting three years. Albeit maintaining a three-year update frequency of the parameters relating to the macroeconomic and fiscal context, the Authority introduced an annual update mechanism (at least for the first three-year period) for the macroeconomic variables, if the cumulative effect of the update of the parameters leads to a change in the WACC above a threshold of 50 bps (basis point spread).
- By way of Resolution no. 513/2024/R/com, the Authority approved the updating of the relevant parameters for the purposes of determining the rate of return on invested capital for the 2025-2027 sub-period, and the beta asset parameter, with reference to the infrastructure services of the electricity and gas sectors. With reference to the beta parameter, for the gas distribution sector only, the Authority deemed it appropriate to reduce the value to 0.41 (compared to 0.439 for the three-year period 2022-2024). The trigger mechanism was also confirmed for sub-period 2025-2027, reducing the trigger activation threshold set by Resolution no. 614/2021/R/com from 50 bps to 30 bps. For the gas distribution sector, the Resolution set the value of the WACC for the year 2025 at 5.9%.
- By way of Resolution no. 587/2024/R/gas, the Authority approved the mandatory tariffs for natural gas distribution, metering and marketing services for the year 2025. This Resolution also provides that, for the tariffs of the year 2025, the rate of change of the deflator of gross fixed investments, determined on the basis of the criteria in force, shall be set at 0.30%, and that any redetermination of the rate for the revaluation of capital costs as a result of the proceedings initiated with Resolution no.

339/2024/R/com may already take effect when determining the definitive reference tariffs for the year 2025, scheduled by 31 March 2026.

- With Resolution no. 221/2025/R/gas, the Authority initiated the procedure for the issuance of provisions on tariffs and the quality of gas distribution and metering services for the sixth regulatory period. It also approved the extension of the fifth regulatory period to cover the years 2026 and 2027, and initiated the procedure to assess the amendments to the TUDG necessary for extending the validity of the current regulatory framework for those years. With Resolution no. 532/2025/R/gas, the Authority defined the criteria for the extension of the fifth regulatory period until 2027. The main changes include the elimination of the X-factor applied to all recognised operating cost items, which will remain unchanged in real terms, the confirmation of the rules for supra-municipal networks and the reduction from 40 to 35 euro of the advance contribution for the inspection of large meters. The criteria for managing historical contributions and costs relating to smart meters are also confirmed, while the new categories of investments relating to biomethane will be defined by a subsequent resolution. For Sardinia, tariff alignment with the Southern Area also remains valid in 2026–2027. Finally, from 2027, tariffs will be updated using the Italian HICP index, based on the most recent data and forecasts of the Bank of Italy.
- With Resolution no. 87/2025/R/gas, the Authority approved the provisions for compliance with the rulings of the Council of State regarding tariffs for natural gas distribution and metering services, with particular reference to the determination of recognised operating costs for the 2020-2025 regulatory period, as per Resolution no. 570/2019/R/gas. Within the scope of the aforementioned resolution, ARERA postponed the re-determination of the reference tariffs for the gas distribution service for the years 2020, 2021, 2022 and 2023 to a subsequent Resolution no. 98/2025/R/gas, approved on 18 March 2025, and also established that the increase in operating costs for 2024 due to Resolution no. 87/2025/R/gas be incorporated into the final tariffs for 2024.
- With Resolution no. 130/2025/R/com, the Authority adopted provisions for the review of the criteria for the revaluation of the cost of capital for electricity and gas infrastructure services and defined the capital revaluation rates for the different services for the years 2024 and 2025.
- Italgas Reti challenged on additional grounds Resolution no. 513/2024/R/com through which the Authority, following an update for the 2025-2027 sub-period of the parameters common to all regulated services and following a review of the criteria for updating the β -asset (beta asset) parameter for all regulated infrastructural services of the electricity and gas sectors, updated the WACC for the year 2025. The setting of a date for the hearing is currently pending.
- With its ruling of 16 June 2025, the same Regional Administrative Court (TAR) rejected the appeal lodged by Italgas Reti against Resolution no. 490/2024/R/gas, by which, following the inspections and audits previously carried out, the Authority cancelled the awards for all of Italgas Reti's plants, amounting to approximately 24 million euro, already recognised in the 2024 consolidated financial statements. At the same time, the Regional Administrative Court upheld Italgas Reti's appeal against Resolution no. 108/2024/S/gas, annulling the penalties imposed for failure to update the operating procedures in line with the current regulation and technical standards set out in the RQDG 2020–2025. ARERA has lodged an appeal with the Council of State against this part of the ruling, while Italgas

Reti has appeared in those proceedings and, in turn, filed an appeal against the part of the ruling that rejected its appeal against Resolution no. 490/2024/R/gas. On 27 January 2026, the hearing for both appeals was held and the publication of the rulings is pending.

- On July 1, 2025, with Resolution no. 274/2025/R/gas, the Authority approved provisional reference tariffs for gas distribution and metering services for the year 2025.
- In a judgement published on 3 July 2025, the Lombardy Regional Administrative Court (TAR) partly rejected and partly declared inadmissible the appeals lodged by Italgas Reti seeking the annulment of the measures adopted by the Authority regarding applications for the recognition of costs related to natural gas metering services, concerning smart metering/remote management systems and data concentrators for the years 2017, 2018 and 2019, and for the years 2011–2016. In a judgement published on 14 July 2025, the Lombardy TAR also declared inadmissible the similar appeal filed by Toscana Energia. The unfavourable rulings mentioned above were appealed by Italgas Reti and Toscana Energia before the Council of State. For both appeals, the hearing was held on 27 January 2026 and the publication of the decisions is pending.
- On 8 July 2025, with Resolution no. 321/2025/R/gas, the Authority defined the new cap on the recognition of capital costs related to the distribution service in start-up locations, represented by a maximum threshold in terms of expenditure per served user (expressed at 2017 prices) equal to: i) 8,700 euro/re-delivery point, for mountain locations in climatic zone F, as per Article 23, paragraph 4-*bis*, of Legislative Decree no. 164/00, ii) 11,800 euro/re-delivery point, for former CIPE Resolution 5/2015 locations, as per Article 23, paragraph 4-*bis*, of Legislative Decree no. 164/00, and iii) 5,250 euro/re-delivery point, for other locations, other than those mentioned above.
- On 2 May 2025, Italgas Reti filed an appeal with the Regional Administrative Court (TAR) of Veneto for the annulment, subject to suspension, of the tender notice and its annexes, as well as all the documentation relating to the tender in the Vicenza 2 – North – East Territorial Area, and of any other act and/or measure preparatory to, consequent upon and/or in connection with it, with the hearing initially scheduled for 21 May 2025 for the precautionary judgement and subsequently for 8 October 2025 for the discussion on the merits. Following the submission of the appeal, the contracting authority suspended the tender in order to update the documentation, extending the deadline for the submission of bids to 2 July 2026. Following the publication of the updated documentation, an appeal on additional grounds was filed challenging, in particular, one of the sub-criteria for award relating to the technical offer. The Regional Administrative Court (TAR) of Veneto scheduled the hearing for discussion for 15 April 2026.
- On 6 November 2025, Italgas Reti served notice of an appeal on ARERA against the ruling by which the Milan Regional Administrative Court had dismissed the appeal against Resolution no. 386/2022/R/gas concerning the “delta in-out” issue, declaring it inadmissible for lack of interest. At present, no hearing date has been set.
- On 22 December 2025, Italgas Reti S.p.A. was notified by the Italian Data Protection Authority of the initiation of proceedings pursuant to Article 166, paragraph 5, of the Personal Data Protection Code (Legislative Decree no. 196 of 30 June 2003, as amended by Legislative Decree no. 101/2018) and Article 12 of Regulation no. 1/2019 of the Authority. Investigations are currently ongoing.

Tariff regulation – Greece

The licences held by the distributor of the Enaon Group extend over the entire Greek territory.

The expiry and renewal of the gas distribution licences in Greece are governed by the Greek Energy Law, partially amended (i.e. Articles 2, 80Γ and 88) by Law no. 4812/2021, enacted on 30 June 2021. According to this amendment, the duration of the licence is set at a minimum of 20 years and may be extended to a further 30 years upon expiry of the original licence, following an application by the licence holder. In this case, the licence holder must apply for an extension one year before the expiry date (31 December 2043). The renewal takes place through an “act with declaratory effect” issued by the Regulatory Authority for Energy (RAE), the Greek Regulator, in accordance with Articles 5-9-13-16 of the Regulation of Natural Gas Permits (Decision of the Minister no. 178065/2018, published in Journal 3430/2018). Law no. 4951-2022 (Article 134) also introduced a possible repayment, for the outgoing operator, for the residual value of their assets, equal to the value of the RAB⁴⁰ at the end of the licence, plus a premium of at least 15%. Law 5037 ΦΕΚ Α 78 of 29 March 2023 renamed the Energy Regulatory Authority into the Regulatory Authority for Energy, Waste and Water (RAEWW) and expanded its scope with responsibilities for water services and municipal waste management. The activity of natural gas distribution and metering in Greece is regulated by the RAEWW: its responsibilities include the setting and updating of tariffs, as well as the establishment of rules for access to infrastructure and the provision of related services (e.g. Distribution Code - RAE Decision 589/2016). With Decision E-14/2024, the RAEWW announced the WACC to be applied on the RAB for the Enaon Group DSOs, setting it at 8.38% for 2024, 2025 and 2026 (compared to 8.57% in 2023). The decision was made in accordance with the provisions of Article 260 of Law 5037/2023. The duration of a tariff adjustment period is set at four years: the current adjustment period at the end of the financial year is the period from 2023 to 2026. In particular, the Greek regulation provides that, prior to the beginning of each regulatory period, the operator shall submit to the Authority, for approval, the Development Plan and the Business Plan for the following regulatory period on the basis of which the operator's distribution tariffs and regulated revenues for the relevant period are determined. In the event that there are differences between the assumptions made in the Development Plan and the Business Plan and the actual data for the reference period, a deviation of the actual revenues from the regulated revenues will be generated: this deviation (defined as a “recoverable difference”), whether positive or negative, is considered in the definition of the regulated revenues of the following regulatory period and will therefore be recovered or returned as part of the tariffs for the following four years. To satisfy the need not to assign (only) to end customers in disadvantaged areas with limited infrastructural developments the costs of the distribution and metering service, the Authority, with Decision no. 485/22 Article 20 envisaged the possibility of socialising any potential recoverable difference between all distribution companies of a single corporate Group. By way of Decision E-257/2024, RAEWW revised the structure of the tariffs applied by Enaon EDA for its natural gas distribution activity, providing for the progressive application of a single tariff for the same categories of users served throughout the managed territory as of 1 December 2024. The tariffs for the years 2025 and 2026 of the 2023-2026 regulatory period will be determined using the latest available

⁴⁰ Net fixed asset value of assets net of contributions, capitalised interest, revenues from connection contributions and/or user fees and all costs related to planning. To increase the RAB, a percentage of Working Capital calculated parametrically.

percentage change in the annual average consumer price index (CPI) published by the Hellenic Statistical Authority.

The rate system establishes in particular that the reference revenues for the formulation of rates is determined so as to cover the costs incurred by the operator and allow for a fair return on invested capital. In particular, the following tariff components are identified:

- the cost of net invested capital for regulatory purposes RAB (Regulatory Asset Base) through the application of a rate of return (WACC); the WACC is nominal pre-tax and is defined ex ante for the regulatory period;
- economic-technical amortisation/depreciation, hedging investment costs;
- the operating costs, which are defined for the following regulatory period, are not re-estimated at the end of the regulatory period; thus the operator can retain the efficiency achieved during the regulatory period;
- the additional revenues obtained from activities other than gas distribution are separated;
- the recoverable difference defined by the difference between the regulated revenues (calculated based on the final balance) and the revenues obtained from invoicing;
- connection fees may be borne by the distribution operator and, in that case, taken into account in determining the RAB if the operator's penetration rate is low (letter K) point XIII Decision RAE 328/2016 - Approval of the pricing regulation).

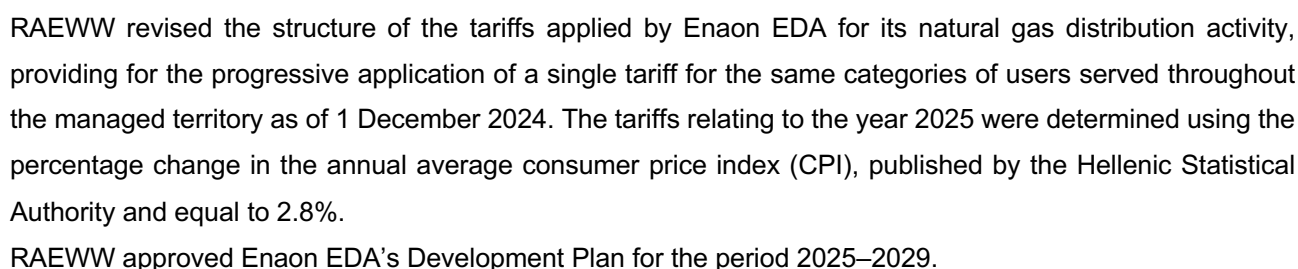
Required Revenues =	RAB x Reg. WACC	+ Depreciation	+ Opex	- Additional Revenues	± Recoverable Difference
Evaluated for each year in the Tariff Calculation Period	Return on RAB calculated by multiplying the RAB of the Operator with the Weighted Average Cost of Capital (WACC)	Fixed Assets are depreciated based on the accounting method provided by law with no strict obligation to set a specific period of depreciation. Existing DSOs have chosen different approaches regarding duration of depreciation for each category of assets	The reasonable expenses of the DSO for the operation of the Key Activity of Natural Gas Distribution	The DSO may undertake other activities: Auxiliary services (e.g. installation and maintenance of smart meters) and Optional services (e.g. energy efficiency services). For these services, the DSO submits to RAE a tariff proposal for approval	The difference between the Required Revenues and the Actual Revenues (which includes the revenues from the application of the Distribution tariffs according to the billed quantities)

Below are the main elements of the tariff regulation and its relevant reference timetable:

End of regulatory period	End of previous regulatory period: 31/12/2022 End of current regulatory period: 31/12/2026 End of next regulatory period: 31/12/2030
Net Invested Capital (RAB) calculation for regulatory purposes	Historical cost
Weighted Average Cost of Capital (WACC _{nominal, pre-tax}) recognized for regulatory purposes	Distribution and Metering: 7,45% (year 2020) 7,03% (years 2021-2022) 8,57% (year 2023) 8,38% (years 2024-2025-2026)

The RAB of the Greek distribution companies, calculated by applying the criteria adopted by the local regulatory Authority, with reference to investments made up to 31 December 2025, is equal to approximately 0.9 billion euro.

The timings defined by the tariff regulation are shown below:

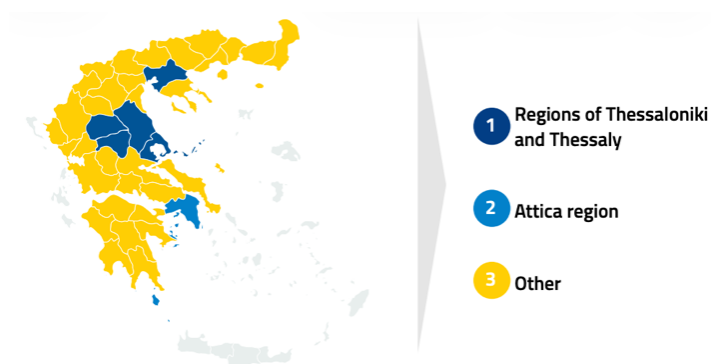
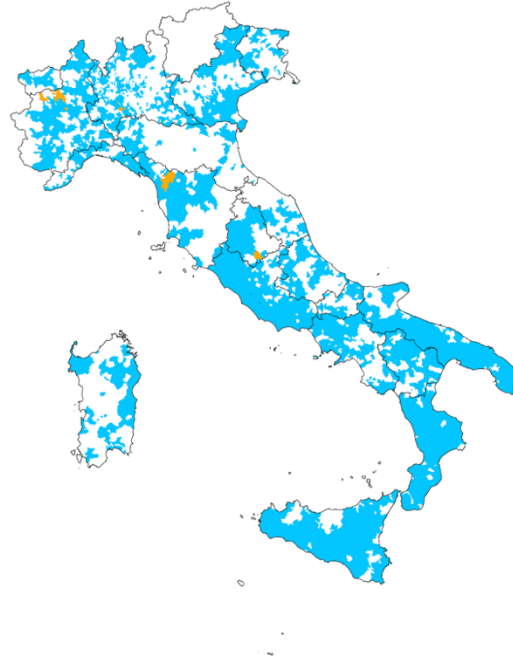


Municipalities in concession and local tender areas⁴¹

The following figure shows the presence of the Italgas Group in Italy⁴². As at 31 December 2025, as a result of the regulatory framework that provides for assigning the gas distribution service with tenders by territorial area (and not by individual municipality), 50 calls for tenders have been published.

Of the 50 tender notices published to date:

- (i) TORINO 3 – South-West, MASSA CARRARA, COMO 1 – Lariano Triangle and Como Brianza, BERGAMO 3 – Surroundings West of Bergamo, BRESCIA 1 – North-West, BERGAMO 2 – North-East, MILANO 4 – North-East Province and MILANO 3 – South Province; VENEZIA 1 – Venetian Lagoon, ALESSANDRIA 2 – Centre and GENOVA 2 – Province, annulled by rulings of the Regional Administrative Courts and/or the Council of State;
- (ii) MONZA and BRIANZA 2 – West, LUCCA, TRIESTE, MONZA and BRIANZA 1 – East, VERONA 2 – Veronese Plains, PRATO, CREMONA 2 – Centre and CREMONA 3 – South Aggregated Areas, VARESE 2 – Centre, UDINE 1 – North, UDINE 3 – South and VICENZA 3 – Valleys of the Astico, Leogra and Timonchio, awarded by decision of the respective contracting authorities;
- (iii) TORINO 2 – Turin plant, VALLE D'AOSTA, BELLUNO, TORINO 1 – City of Turin, LA SPEZIA, CATANZARO – CROTONE e TORINO 5 – North – East, officially awarded to Italgas Reti;
- (iv) BIELLA, for which the award procedures to Italgas Reti are ongoing.



In Greece, as at 31 December 2025, Italgas holds the natural gas distribution licences of operating company Enaon EDA amounting to 145 Municipalities, of which 115 are already in operation.

⁴¹ For more information on the regulation concerning the assignments of gas distribution service and the related call for tenders, please see the specific paragraph in the chapter "Legislative and regulatory framework".

⁴² The area in which Italgas exercises control is shown in blue, while the area relating to non-controlled equity investments is shown in orange.

5.2 Water Service Sector

Main economic and financial indicators

The main items of the financial statements are summarised below. With a view to providing a more general overview of the business, also a column relating to 2025* is included, showing the data of the operative companies Acqualatina and Siciliacque as *pro rata* consolidation (For the year ended 31 December 2025* *pro rata*)⁴³.

(€ million)	For the year ended 31 December 2024	For the year ended 31 December 2025	For the year ended 31 December 2025* <i>pro rata</i>
Total revenues and other income adjusted	94.7	95.4	199.0
Adjusted EBITDA	39.7	37.5	65.1
Adjusted EBIT	12.3	7.6	20.5
Group's adjusted net profit	14.9	11.0	11.0

* Unaudited values

Operating performance

The following table summarises the main operating figures for the sector:

Key operating figures for the water service segment	As of 31 December 2024	As of 31 December 2025	Abs. change	% Change
Italgas Group and affiliates				
Customers served directly and indirectly (millions)	6.3	6.3	-	-
Managed water distribution network (kilometres)	8,982	8,982	-	-

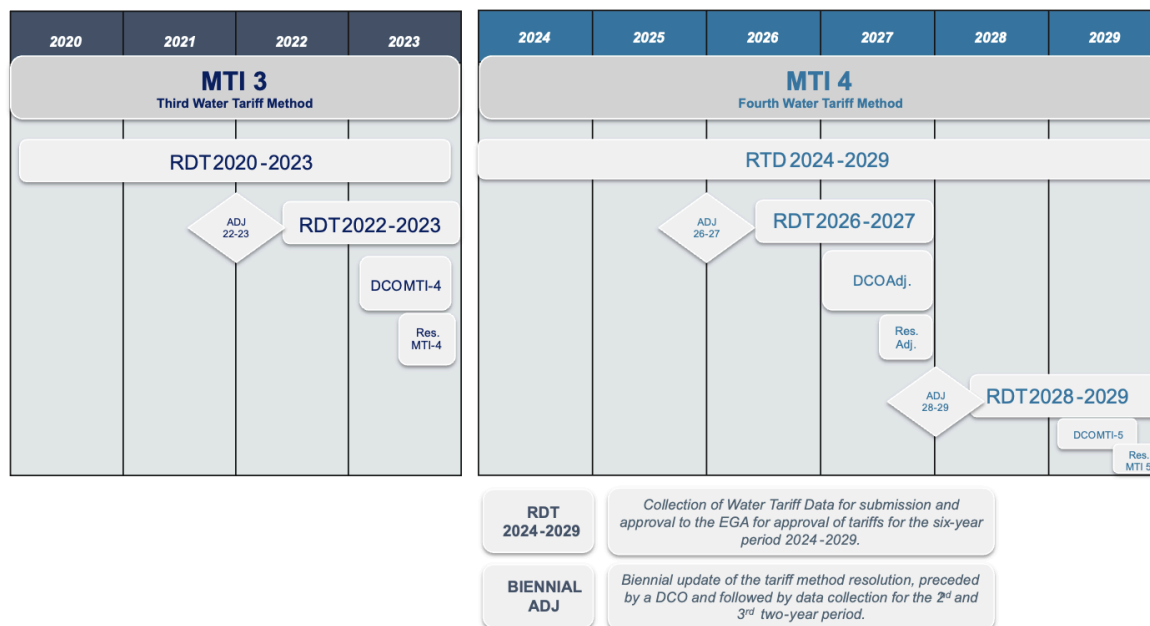
Legislative and regulatory framework

The group of public services for the collection, adduction, and distribution of water for civil use, sewage, and wastewater purification, including the collection adduction and purification services, which are part of the Water Service, are regulated by ARERA pursuant to Article 21, subsections 13 and 19, of Decree Law no. 201/11. Among the functions of regulation and control of water services are the determination and updating of tariffs, as well as the preparation of rules to guarantee the conditions of efficiency and quality of the services provided and the protection of the interests of users and consumers.

The tariff system provides that the competence of submitting tariff proposals to the Authority lies with the area governing body, Ente di Governo d'Ambito (EGA), which provides for the approval of the data and documents prepared by the operator.

For the fourth regulatory period (2024-2029), the Authority adopted the Water Tariff Method MTI-4, introduced by Resolution no. 639/2023/R/idr of 28 December 2023.

⁴³ In addition to Acqualatina and Siciliacque, the fully consolidated companies (Nepta, Idrolatina, Idrosicilia and Acqua Campania) are included. On the other hand, in the reclassified income statement table, the result of Acqualatina and Siciliacque is included in net income from equity investments.



The main elements of tariff regulation are as follows:

End of regulatory period	31 st December 2029
Net Invested Capital (RAB) calculation for regulatory purposes	Historical cost (revalued with deflator)
Cost of Capital (financial charges + Tax charges) recognized for regulatory purposes	2024-2025: 6,13% on investment before 2012; 7,13% on investments from 2012 on.
Incentives on new investments	Opportunity of recognition of the FNI tariff component, for Operators positioned in Schemes IV, V and VI (with a ratio between expected new investments and RAB of the previous regulatory period higher than 0,5)

The RAB pro quota of the sector, resulting from the application of the criteria adopted by the Authority, with reference to the investments made up to 31 December 2025, within the scope of the definition of the reference tariffs, including associates, is equal to approximately 0.3 billion euro.

The following components contribute to the tied revenues recognised by the Guaranteed Revenue Constraint (VRG) method to the operator:

VRG	=	CAPEX	FoNI	OPEX	ERC	RC
Allowed Revenues		Costs of fixed assets, including financial charges, tax charges and depreciation	Possible advance for financing new investments, in order to support specific objectives and the resulting interventions	Operating costs, including: endogenous costs, updatable/exogenous costs and operating costs related to specific regulatory purposes	Environmental and water resource costs	Tariff adjustment, required to cover approved costs related to previous years.

With Resolution no. 639/2023/R/IDR of 28 December 2023, the Authority approved the water tariff method for the fourth regulatory period 2024-2029 (MTI-4), defining the rules for calculating the costs that are eligible for recognition in the tariff.

By way of Resolution no. 358/2024/R/idr of 10 September 2024, the Authority initiated proceedings for the ex officio determination of the tariff multiplier for the water service managements falling within the cases specified in paragraph 5.8 of Resolution no. 639/2023/R/idr. This resolution also mandated the Tariffs and Environmental Fees Department to issue a formal warning to the governing bodies of the relevant area or other competent parties in case of non-compliance with their obligations to update the tariff structure following a request from the operator, in accordance with paragraph 5.6 of Resolution no. 639/2023/R/idr. On 12 September 2024, the Authority warned both Ente Idrico Campano (EIC) and the Region of Sicily to comply within the next 30 days, following the submission of tariff update applications by Nepta and Siciliacque to their respective Governing Bodies and to the Authority. Once this deadline had expired, the two entities asked the Authority for additional time to evaluate the regulatory schemes proposed by the companies for the 2024-2029 period, highlighting the elements that would not allow them to proceed with tariff approval. The operators are waiting for a ruling from the Authority following the feedback formally transmitted by both the EIC and the Sicilian Region to the warnings received. Instead, about Acqua Campania and Acqualatina, the tariffs for MTI-4 have already been approved.

With Resolution no. 570/2024/R/idr of 17 December 2024, the Authority identified the theoretical purchase mix for the definition of the reference cost of electricity for the purpose of calculating the adjustments related to electricity for the year 2027, in accordance with MIT-4.

With Resolution no. 582/2025/R/idr of 23 December 2025, the Authority approved the criteria for the first biennial update of the tariff arrangements for the water service, pursuant to the tariff method for the fourth regulatory period (MTI-4). In particular, the Authority defined: the monetary adjustments for updating operating costs, asset costs and the annual growth limit of the tariff multiplier; the procedures for updating operating costs and balancing components, according to efficiency-promotion criteria; the measures aimed at ensuring coordination between tariff regulation and the rules governing the standard tender notice template (pursuant to Resolution no. 347/2025/R/idr).

Concessions

At 31 December 2025 Nepta operates the water service for five Municipalities in the Province of Caserta: Caserta, Baia and Latina, Casaluce, Galluccio and Roccaromana. The concessions naturally expired in 2020 and 2021, therefore, the management is extended, under the prorogatio system, until the management is entrusted to the new Operator of the Water Service in the District of Caserta.

Acqua Campania manages the Western Campania concession in Naples and Caserta for the collection, purification, adduction and transport of drinking water destined for water distribution companies. For the Company, the concession has come to its expiration and has been further extended to 31 December 2026.

The associate Acqualatina is the operator of the Water Service in the territory of ATO4 Lazio Meridionale – Latina with a managed territory of 38 Municipalities.

The associate Siciliacque is the 40-year concession holder of the collection, storage, drinking water and adduction service in the Sicily Region.

5.3 Energy efficiency sector

Main economic and financial indicators

The following table summarises the main items of the adjusted financial statements:

(€ million)	For the year ended 31 December 2024	For the year ended 31 December 2025
Total revenues and other income adjusted	48.2	92.9
Adjusted EBITDA	4.2	14.4
Adjusted EBIT	0.4	10.4

Total revenues and other income adjusted of the Energy Efficiency segment, amounting to 92.9 million euro as at 31 December 2025, increased by 44.7 million euro as a result of the contribution of new energy efficiency projects developed during the year under the new incentive schemes (Superbonus and Ecobonus).

Regulatory framework

The “Superbonus” business developed as a result of the tax incentives provided by the legislature, which, through the mechanism of the “assignment of the tax credit” or the “invoice discount”, facilitated access to these tax incentives to end customers (mainly condominiums) for such efficiency-boosting interventions.

Decree-Law no. 11/2023 subsequently introduced a generalised prohibition on exercising the options of discount on the invoice and assignment of the tax credit deriving from building bonuses, with exceptions provided for IACPs (Autonomous Public Housing Institutes), non-profit organisations and condominiums in which the CILA and the resolution of the shareholders' meeting are submitted and adopted before 17 February 2023. Moreover, on 31 December 2023 the 110% Superbonus came to an end and a mechanism came into force, according to which services invoiced in 2024 will benefit from a 70/30 tax incentive mechanism (where the tax credit corresponds to 70% of the expenditure and the condominium pays the remaining 30%), while those invoiced in 2025 will benefit from a 65/35 tax incentive mechanism for all residential buildings not covered by the 110% bonus extension (non-profit organisations and seismic areas).

6. Business Outlook

The Group is preparing to consolidate its leading role in gas distribution in the coming years through management increasingly focused on digital innovation, sustainability and operational efficiency.

The acquisition of 2i Rete Gas has required, and will continue to require, a review of operating models, with particular attention to process digitisation and cost optimisation. The Group will continue to invest in smart technologies for network management, focusing on automation, remote monitoring and predictive analytics. These strategies form part of a growth journey that sees Italgas committed to the promotion of energy efficiency, including through training and upskilling courses for personnel, thus fostering a corporate culture focused on change and flexibility. Furthermore, the focus on research and development is a key element for testing innovative solutions, in line with international best practices and with European directives on environmental sustainability and reduction of emissions.

In this context, the increasing adoption of Artificial Intelligence-based solutions represents an enabling factor for improving service quality, reducing operating costs and enhancing efficiency. AI has been progressively integrated into network management systems, enabling the optimisation of energy flows – which will incorporate increasing shares of green molecules (biomethane, hydrogen and synthetic methane) – and the anticipation of faults or anomalies, thus contributing to enhanced infrastructure resilience and network safety. The strengthening of strategic partnerships with significant technological and industrial companies will also speed up the implementation of innovative projects and expand the offer of services to end customers.

In summary, the future of the Italgas Group will be characterised by industrial integration, a strong drive for digital innovation and a concrete commitment to sustainability. Continued focus on the needs of the territories served, the ability to adapt to regulatory developments and the desire to invest in solutions with a low environmental impact are the foundations on which Italgas intends to build solid and responsible growth, an approach that favours quality, security and long-term vision, in line with international best practices and expectations of a Group that is increasingly more geared towards the ecological transition.

7. Consolidated Sustainability Statement

7.1 General information

ESRS 2 – General disclosures

General basis for preparation of sustainability statements and disclosures in relation to specific circumstances (BP-1, BP-2)

In this consolidated Sustainability Statement (Statement) the scope of consolidation is the same as that used for the financial statements, which can be found in Directors' Report - Methodological Note⁴⁴.

With reference to 2i Rete Gas, the figures are reported from the date of first consolidation (1 April 2025)⁴⁵. The effect of the acquisition transactions and the resulting changes in the scope of consolidation led to significant changes compared with the 2024 financial year; these changes are highlighted and discussed in the relevant disclosures.

With regard to the company Acqua Campania, values are reported as of the date of first consolidation (30 January 2024).

In accordance with the regulatory changes concerning sustainability reporting introduced by Legislative Decree no. 125/2024 implementing Directive 2022/2464/EU on Corporate Sustainability Reporting (CSRD), the structure and content of this Statement reflect the evolution of the relevant regulatory framework and are consistent with the approach adopted in the previous financial year⁴⁶. Where relevant, the Statement includes also information on the value chain, described in SBM-1. Specifically, please refer to:

- ESRS 2 IRO-1 e ESRS 2 SMB-3;
- all Minimum Disclosure Requirements (MDRs) relating to the relevant impacts, in particular standards S2 and S3, which refer to value chain actors;
- the qualitative descriptions required by Disclosure Requirement (DR) E1-1 and E5-4, as well as the description of procured materials in DR E5-5, which show information related to the value chain;
- the data points that also include data related to value chain, representing GHG Scope 3 emissions⁴⁷, reported in DR E1-6.

Included in the Statement are forward-looking KPIs and economic data that by their nature present a degree of uncertainty. In particular, future CapEx and OpEx figures for sustainability management are based on assumptions of the Group's strategic plan, which has a time frame of 7 years. This includes data on the transition plan, i.e. the contribution in quantitative terms to the reduction of CO₂ emissions of individual levers, as well as the economic amounts supporting them.

⁴⁴ With regard to the environmental aspects reported, the company under operational control, Metano S. Angelo Lodigiano, has been excluded from the consolidation as it does not appear to have any significant environmental impact

⁴⁵ See the section "Business Combinations" of the Notes to the Consolidated Financial Statements.

⁴⁶ The Group has not made use of the option to omit specific information relating to intellectual property, know-how or innovation; nor did it make use of the exemption from disclosing information regarding upcoming developments or matters in negotiation, in accordance with Article 19-bis, subsection 3, and Article 29-bis, subsection 3, of Directive 2013/34/EU.

⁴⁷ For the latter, both direct and indirect calculation sources were used: 69% of Scope 3 emissions were calculated through direct access to consumption and emission data from suppliers, while the remaining 31% were calculated through a spend-based approach based on sectoral emission factors.

The information partially subject to estimation includes Scope 3 emissions, data on input materials, and invoiced volumes, which are used to calculate water losses (see paragraphs E1-6, E5-4, Water losses for details on calculation methodologies).

Any methodological refinements compared to the previous year are appropriately noted in the document within the respective disclosures (see paragraphs E1-5 and E1-6).

For the preparation of the Statement, the Group has established the following time horizons: short term, up to one year, medium term, up to 5 years, and long term, over 5 years.

The role of the administrative, management and supervisory bodies and Information provided to and sustainability matters addressed by the undertaking's administrative, management and supervisory bodies (GOV-1, GOV-2)

The Board of Directors of Italgas S.p.A. currently in office consists of 9 Directors, including 1 executive Director, and 8 non-executive Directors, including the Chairperson without management powers. Below is the composition of the Board of Directors and the Board of Statutory Auditors⁴⁸.

Board of Directors

Criteria	2024		2025	
	Category	Number and % of Directors	Category	Number and % of Directors
Gender diversity	Female	4 (45%)	Female	4 (45%)
	Male	5 (55%)	Male	5 (55%)
<u>Age diversity</u>	46-52 years	3 (33%)	38-46 years	4 (45%)
	53-60 years	3 (33%)	47-59 years	3 (33%)
	61-68 years	3 (33%)	60-65 years	2 (22%)
Seniority diversity	1st term	7 (77%)	1st term	6 (67%)
	2nd term	1 (11%)	2nd term	2 (22%)
	3rd term	1 (11%)	4th term	1 (11%)
Independence requirements	Independent ⁴⁹	5 (55%)	Independent ⁵⁰	6 (67%)
	Non-independent	4 (45%)	Non-independent	3 (33%)
Geographical origin	Italy	8 (89%)	Italy	8 (89%)
	China	1 (11%)	China	1 (11%)

Board of Statutory Auditors, consisting of 3 Standing Auditors and 2 Alternate Auditors

Criteria	2024		2025	
	Category	Number and % of Statutory Auditors	Category	Number and % of Statutory Auditors
Gender diversity	Female	3 ⁵¹ (60%)	Female	2 ⁵² (40%)
	Male	2 (40%)	Male	3 (60%)

⁴⁸ Considering both governing bodies together, 6 out of 12 members (50%) are female.

⁴⁹ 4 Directors qualified as independent on the basis of both the independence requirements of the TUF (Articles 147-ter, subsection 4, and 148, subsection 3, of the TUF) and the Corporate Governance Code (Article 2), including the Chairperson of the Board of Directors; 1 Director qualified as independent on the basis of the independence requirements of the TUF (Articles 147-ter, subsection 4, and 148, subsection 3, of the TUF).

⁵⁰ 6 Directors qualified as independent on the basis of both the independence requirements of the TUF (Articles 147-ter, subsection 4, and 148, subsection 3, of the TUF) and the Corporate Governance Code (Article 2), including the Chairperson of the Board of Directors.

⁵¹ 2 Standing Auditors, including the Chairperson of the Board of Statutory Auditors, and 1 Alternate Auditor belong to the female gender. 1 Standing Auditor and 1 Alternate Auditor belong to the male gender.

⁵² 2 Standing Auditors, including the Chairperson of the Board of Statutory Auditors belong to the female gender. 1 Standing Auditor and 2 Alternate Auditors belong to the male gender.

Age diversity	55-60 years	4 (80%)	58-60 years	3 (40%)
	61-65 years	1 (20%)	61-66 years	2 (60%)
Seniority diversity	1st term	3 (60%)	1st term	3 (60%)
	2nd term	2 (40%)	2nd term	1 (20%)
	-	-	3rd term	1 (20%)

The members of the Board of Directors and the Board of Statutory Auditors have a balanced combination of managerial and professional profiles, with complementary skills that guarantee the correct and diligent performance of the duties entrusted to them, including those within the sphere of ESG. The Directors and Statutory Auditors have significant experience in the fields of finance, industry, ESG and Climate Change, Audit, Enterprise Risk Management, People and HR, Cybersecurity and Governance. These skills have also been developed in international contexts.

No member of the Board of Directors or the Board of Statutory Auditors has held a comparable position in public administration (including regulatory authorities) in the two years prior to their appointment in the current reporting period.

Within the corporate bodies of Italgas, there are no appointments in representation of employees.

The supervision of impacts, risks and opportunities is delegated to several corporate bodies, each according to their respective responsibilities:

1. Board of Directors: (i) guides the Company with the objective of creating long-term value for the benefit of shareholders, taking into account the interests of the other stakeholders relevant to the Company; (ii) it is responsible for the ordinary and extraordinary management of the Company and, upon proposal of the Chief Executive Officer, defines the strategic guidelines and objectives for the Group, including the strategy relating to sustainability objectives and impacts linked to climate change, as well as the sustainability policies, and monitors their implementation; (iii) it is called upon annually to approve Italgas' seven-year Strategic Plan and the updates to the Sustainable Value Creation Plan, ensuring the creation of value in the short and medium-long term for shareholders and stakeholders; (iv) it reviews and approves the Company's annual integrated report, half-yearly report and interim management reports, as well as the consolidated reports, which include sustainability reporting; (v) it defines and updates, upon proposal of the Chief Executive Officer and following the opinion of the Control and Risk Committee and Related Party Transactions ("CCROPC"), the guidelines for the internal control and risk management system; (vi) it defines the nature and level of risk compatible with the strategic objectives of the Company and the Group, with a view to pursuing sustainable success, and evaluates, following the opinion of the CCROPC, the adequacy of the internal control and risk management system, as well as its effectiveness in relation to the strategic objectives of the Company and the Group, with a view to pursuing sustainable success.

2. Chief Executive Officer: (i) is responsible for the management of the Company and for developing the main strategic objectives and sustainability initiatives, which are then submitted to the Board for approval; (ii) annually submits the Strategic Plan and the Sustainable Value Creation Plan to the Board of Directors for approval, following examination by the Sustainable Value Creation Committee ("SVCC") with regard to the parts concerning non-financial objectives and indicators; (iii) chairs the Sustainability Business Review, an internal management committee that evaluates the main environmental sustainability KPIs and discusses the

progress of the related initiatives on a monthly basis; (iv) chairs the Innovation Committee, an internal management committee that reviews and evaluates initiatives aimed at improving the efficiency of the Group's operations, including those focused on reducing emissions and/or increasing energy efficiency.

3. Sustainable Value Creation Committee: It provides proposals and advice to the Board regarding the processes and activities which contribute to the company's sustainable development along the value chain and with regard to periodic non-financial reports, coordinating with the CRRPTC for evaluation by this committee of the suitability of the periodic, financial and non-financial reporting.

4. Control and Risk and Related Party Transactions Committee: It assesses the suitability of the periodic financial and non-financial information, so that it correctly represents the company's business model, strategies, impact of its activities, and performance achieved, while coordinating with the SVCC.

These responsibilities are institutionalised within the operating regulations of the aforementioned bodies. Italgas' Board of Directors' Operating and Organisational Rules⁵³ (art.3) provide that the Board of Directors leads the company by pursuing the objective of long-term value creation for the benefit of shareholders, taking into account the interests of other stakeholders relevant to the company. The SVCC Regulation⁵⁴ governs the tasks and functions of the SVCC as summarised above.

As provided for in the Board Regulation, in compliance with the recommendations of the Corporate Governance Code (CG Code) for "large companies other than those with concentrated ownership", the Board carries out at least annually, in accordance with the procedures set out in the CG Code and with the support of the Chairperson of the Board of Directors and the Appointments and Compensation Committee, which are responsible for its adequacy and transparency, an assessment of the size and composition of the Board itself and its Committees, as well as their operation, also taking into account the role played by the Board in defining strategies and monitoring management performance and the adequacy of the internal control and risk management system, including the management and monitoring of sustainability issues. For the purposes of evaluating its own composition and that of the Committees set up within it, the Board also takes into account elements such as diversity in terms of gender, age, nationality, and history, such as the professional characteristics, experience, including managerial experience, and gender of its members, as well as their seniority in office; all in accordance with the provisions of the "Diversity of Corporate Bodies Policy"⁵⁵ in force at the time.

The Board of Directors is informed of the relevant Impacts, Risks and Opportunities, the implementation of due diligence, and the results and effectiveness of the policies, actions, metrics and objectives adopted to address them, at least on the occasion of the approval of the Annual Integrated Report, the approval of the Sustainable Value Creation Plan and the double materiality matrix.

On 10 October 2025, the Board of Directors reviewed the ESG targets for the 2025-2031 time horizon. On 29 October 2025, the Board of Directors approved the Strategic Plan 2025-2031 and, at the same time, approved the sustainability targets which, from the perspective of full integration between business and sustainability, form the Sustainable Value Creation Plan.

⁵³ The Board of Directors' Rules of Procedure can be consulted at the following link <https://www.italgas.it/wp-content/uploads/sites/2/2024/03/RULES-FOR-THE-FUNCTIONING-AND-ORGANISATION-OF-THE-BOARD-OF-DIRECTORS-OF-ITALGAS-S.P.A.pdf>.

⁵⁴ The Regulations of the SVCC can be found at the following link <https://www.italgas.it/en/investors/governance/committees/>.

⁵⁵ The "Diversity of Corporate Bodies Policy" can be found at the following link <https://www.italgas.it/en/investors/governance/board-directors/>.

At the managerial level, the management of Sustainability Impacts, Risks and Opportunities (IROs) is entrusted to the Chief Executive Officer, who is responsible for the administration of the Group and the development of strategic objectives and sustainability initiatives.

In managing sustainability IROs, the CEO is supported by the executive team, which includes all the directors (Chief Financial Officer, General Counsel, Director of Human Resources & Organisation, etc.), who as members of the Executive Leadership Team, are responsible for sustainability initiatives in their respective areas of expertise.

The Sustainability Unit, part of the External Relations and Sustainability Department, oversees the definition of the Group's sustainability model and coordinates the input of the various company departments for the planning and execution of all sustainability initiatives (strategy, planning, reporting, stakeholder engagement and communication).

Integration of sustainability-related performance in incentive schemes (GOV-3)

The incentive schemes for top management (MBO, Co-investment Plan and LTI Plan) and the related performance targets are defined by the Board of Directors, on the proposal of the Appointments and Compensation Committee and after hearing the opinion of the Board of Statutory Auditors. In particular, the performance targets are identified among the priorities for the business strategy, in line with the Strategic Plan and the Sustainable Value Creation Plan. The finalisation of the performance at the end of the vesting period is examined and approved by the Board of Directors, upon the proposal of the Appointments and Compensation Committee and after hearing the opinion of the Board of Statutory Auditors.

At the request of the Appointments and Compensation Committee, the process of assigning, monitoring and reporting on targets may involve other corporate bodies and departments, including the corporate management of People, Innovation & Transformation Department, Legal Department, Chief Financial Officer and External Relations and Sustainability Department. In addition, the ESG KPIs for variable remuneration are also reviewed by the Sustainable Value Creation Committee with regard to sustainability matters.

The Appointments and Compensation Committee also periodically assesses the adequacy, overall consistency and practical application of the remuneration policy adopted, in particular with reference to the definition of performance targets and the reporting of company results related to the implementation of incentive plans and the definition of variable remuneration.

The Remuneration Policy is approved annually by the Board of Directors, on the proposal of the Appointments and Compensation Committee, and by the Shareholders' Meeting, and provides for the participation of top management in both short-term and long-term incentive schemes, both based on the achievement of predefined sustainability targets.

In particular, the 2025 short-term incentive scheme (MBO) takes into account specific sustainability KPIs:

- Combined employee and contractor accident index (weight 5%), measured as a combination of the frequency index (number of accidents per million hours worked) and severity index (number of days of absence per thousand hours worked) of accidents recorded at Group level during the year. A gate is provided for this objective, linked to the implementation of activities relating to processes, training and operational control in the new companies acquired by the Group during the year;

- Leakage on the distribution network (weight 7.5%), expressed in terms of the percentage of network km inspected at Group level during the year out of the total network km managed;
- Energy consumption (weight 7.5%), expressed in terms of reduction of net energy consumption at Group level, calculated on the basis of the same amount of gas injected in 2024. A gate is provided for this objective, represented by reaching a minimum energy efficiency index for Acqua Campania S.p.A.;
- Diversity and Inclusion (weight 5%), represented by the gender equity pay gap for the Italian scope, calculated as the change in the average ratio of women's and men's hourly basic pay for clusters of employees comparable by organisational weight with respect to 2024.

In addition, the 2023-2025 long-term incentive scheme (LTI Plan) takes into account the following sustainability KPIs:

- Reduction of CO₂ emissions - scope 1 and 2 compared with 2020 on a like-for-like basis (weight 10%);
- Energy efficiency (weight 10%), expressed in terms of reduction of net energy consumption compared with 2020 on a like-for-like basis.

The evaluation of the KPIs under the long-term incentive scheme refers to the relevant three-year period.

Information on the characteristics of the incentive systems in place is provided in the first section of the Report on the Remuneration Policy and Compensation Paid⁵⁶ ("Remuneration Policy"), while information on the finalisation of performance targets at the end of the vesting period is provided in the second section. The Report on the Remuneration Policy and Compensation Paid is submitted annually to the Shareholders' Meeting for approval, which expresses its opinion, in accordance with current regulations, with a binding vote on the first section and an advisory vote on the second section.

Statement on due diligence (GOV-4)

The following table outlines the due diligence processes and their corresponding sections within the Consolidated Sustainability Statement:

Core elements of due diligence	Sections in the Sustainability Statement
a) Embedding due diligence in governance, strategy and business model	ESRS 2 GOV-2, GOV-3, SBM-3
b) Engaging with affected stakeholders in all key steps of the due diligence	ESRS 2 GOV-2, SBM-2, IRO-1, S1-2, S2-2, S3-2
c) Identifying and assessing adverse impacts	ESRS 2 IRO-1, SBM-3
d) Taking action to address those adverse impacts	S1-3, S1-4, S2-3, S2-4, S3-3, S3-4
e) Tracking the effectiveness of these efforts and communicating	S1-5, S2-5, S3-5

In 2024, Italgas conducted due diligence activities in accordance with the guidelines of the United Nations Global Compact Network on business and human rights. Specifically, the activity included the following phases: mapping and assessment of key risks through interviews with responsible functions, positioning of these risks within the Heat Map, and the identification of an action plan to prevent and mitigate the most significant human rights risks. For each significant impact, the type of impact, the involved stakeholders, the

⁵⁶<https://www.italgas.it/en/investors/governance/remuneration/>

existing mitigation actions, the actions to be implemented, the KPIs, and the responsible functions were thoroughly analysed.

Risk management and internal controls over sustainability reporting (GOV-5)

The sustainability reporting process falls within the scope of the Group's Enterprise Risk Management (ERM) system, which manages business risks for all consolidated Group companies. The ERM methodology is based on international models such as the COSO Framework and ISO 31000, and is applied to all business risks, including sustainability risks. This method is described in detail in Section 2.2 "Risk Management", in this document. In addition, in order to ensure the reliability, accuracy and timeliness of the information disclosed to shareholders and the market, sustainability reporting is supported by a Corporate Reporting Internal Control System (SCIS), adopted by Italgas and its subsidiaries in accordance with the provisions of Article 154-*bis* of the Consolidated Law on Finance. The SCIS provides for scoping, identification and assessment of risks and controls (at corporate and process level, through risk assessment and monitoring activities) and related information flows (reporting), and also applies to the process of collecting and consolidating sustainability information for reporting purposes. During 2025, the scope of Acqua Campania was expanded through the definition of new controls on sustainability processes relating to emissions, subject to scoping. Within the scope of ERM, the main risk associated with the sustainability reporting process is the risk of incomplete or ineffective reporting. This risk has a "high" rating and is monitored on a half-yearly basis. Mitigation strategies include:

- organisational sustainability procedures and policies, and stakeholder engagement;
- the Sustainability Business Review process, which monitors energy consumption, emissions and waste management on a monthly basis;
- the Sustainable Value Creation Plan, which defines clear objectives aligned with the strategic plan, and provides for periodic reporting that verifies the progress of sustainability KPIs;
- an organisational unit of Italgas S.p.A. established ad hoc for the process of reporting on economic and financial aspects related to sustainability matters, with the aim of strengthening the reliability and informational quality of the reporting;
- independent monitoring activities aimed at verifying the accuracy and completeness of the information subject to reporting, provided for within the SCIS. These activities are entrusted to the Internal Audit department, which operates on the basis of an annual plan agreed with the Officer responsible for the preparation of financial reports (including the Consolidated Sustainability Statement).

In addition, SCIS provides for periodic checks to verify the correctness and completeness of the reporting information. The results of the risk assessment are integrated into the company's processes through its risk ownership model, which assigns each risk to the organisational unit responsible for managing it, and the periodic mapping (quarterly for "critical" risks, half-yearly for "high" risks, annual for all risks) of actions for dealing with it. The results of ERM mapping are periodically shared with company management at various levels (Risk Owners, 2nd and 3rd level control units, Top Management) and with the Supervisory Board, the Control and Risk and Related Party Transactions Committee, the Sustainable Value Creation Committee, the Board of Statutory Auditors and the Board of Directors.

Strategy, business model and value chain (SBM-1)

The Italgas Group, which had 6,343 employees as at 31 December, operates in 4 main sectors (see the section “S1 – Own workforce”):

- gas distribution: Italgas is the European and national leader in Italy and Greece;
- management of the water system: Italgas directly and indirectly serves over 6 million citizens in Lazio, Campania and Sicily;
- energy efficiency: through its ESCo, Geoside, the Group offers innovative energy saving solutions;
- information technology: through its subsidiary Bludigit, the Group implements innovative solutions and digital business transformation.

The Group does not produce goods or provide services that are prohibited in the reference markets for the sectors in which it operates.

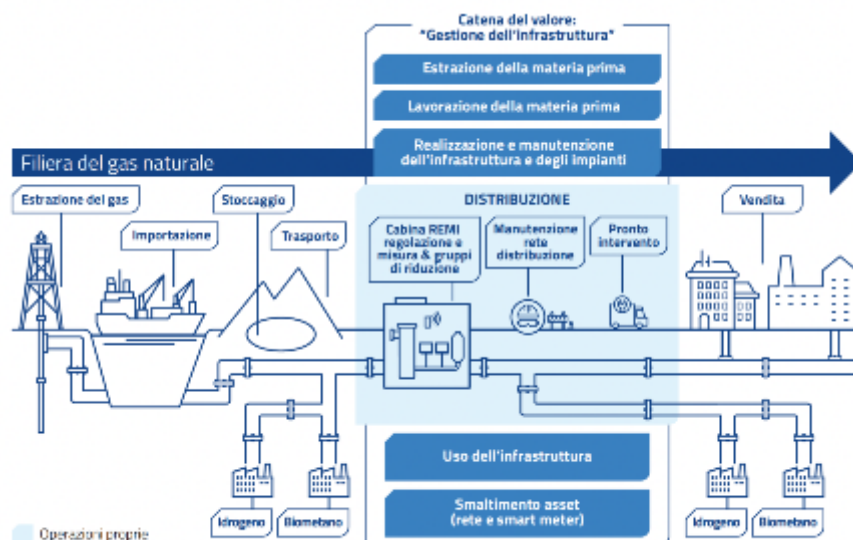
The Group is not active in the fields of chemical production, unconventional weapons production, tobacco cultivation or production.

For an understanding of the Group's business model, refer to Note 34 “Information by operating segment” in the Consolidated Financial Statements.

The analysis of the Group's value chain made it possible to identify the “main” value chain to be considered for the purposes of sustainability reporting, which focuses on the supply chain relating to infrastructure management and includes gas distribution activities and the water service. In the upstream phase, the value chain includes the processes for the production of network components – pipelines, regulation stations, pressure reduction units and metering equipment – and, further upstream in the supply chain, the processing and extraction phases of raw materials (e.g. for steel production). The distribution phase includes the management of city gate plants, network maintenance, continuous monitoring of the service and emergency interventions, with the objective of ensuring the continuity, safety and efficiency of supply. The downstream phases refer to the use of the infrastructure in the territories under management and to the activities for the disposal of the network and smart meters.

Italgas is committed to maintaining adequate planning and management of procurement flows of the materials required to implement industrial plans, as well as the management of logistics activities, including warehouse operations. The Group supports its partners at every stage of the process, ensuring that procurement is guaranteed to optimise efficiency and reduce risks in the supply chain, adopting continuous and periodic monitoring, verifying the quality of execution, compliance with technical specifications, timelines, regulations and ESG commitments across the entire supply chain.

The activities are aimed at generating long-term value for customers, investors and all other stakeholders.



Many of the Group's sustainability targets have a direct impact on the type of products/services offered, as well as markets and/or end customers served.

- Gas distribution in Italy and Greece

Since 2017, Italgas has launched a comprehensive digital transformation programme involving infrastructure, business processes and people, with the objective of making the gas distribution network increasingly intelligent, flexible and ready to accommodate renewable gases such as biomethane and hydrogen. Digitisation represents an enabling factor for the safety, operational efficiency and sustainability of the energy system.

In 2025, the Italian network of Italgas Reti was fully digitised and its management was remote-controlled through the proprietary DANA (Digital Advanced Network Automation) platform. The same system is being extended to the "ex 2i Rete Gas" network (a company acquired in April 2025) and to the ENAON networks in Greece. Digitisation enables monitoring and control of the network 24 hours a day, 7 days a week, improving operational efficiency, the timeliness of interventions and decision-making capacity based on real-time data. In addition, Italgas has developed Nimbus, its proprietary "H2-ready" smart meter, designed to improve reading performance and further enhance safety levels. Nimbus is made from recyclable materials, it is compatible with different gas mixtures, including hydrogen, and is equipped with cutting-edge tamper, seismic and fire sensors. Following the field tests conducted in 2024, large-scale installation began in 2025 and will continue extensively during the current year.

Italgas' strategy also focuses on supporting the development of renewable gases, in particular biomethane and green hydrogen, and on increasing the number of connections of production plants to the distribution networks in Italy and Greece. The Group actively collaborates with the national authorities to define the

regulatory framework necessary for the implementation of reverse flow solutions, which allow excess biomethane to be re-injected into the transmission network. Two pilot projects are currently underway to test these solutions.

With regard to green hydrogen, in October 2025 Italgas inaugurated Hyround in Sestu (Cagliari), a Power-to-Gas (P2G) plant that enables electricity from renewable sources to be converted into hydrogen through a water electrolysis process. Hyround covers the technological chain for the production of green hydrogen intended for urban environments. A project that activates the entire value chain of this renewable gas, contributing in a concrete way to the decarbonisation of the energy system and to the development of new industrial and local applications.

Reference should be made to the chapters “E1 – Climate Change” and “S3 – Affected Communities” for details of the targets relating to the strategy described above and the results achieved in 2025.

- **Energy efficiency**

Through the ESCo Geoside, the Group offers a full range of services for the energy efficiency of buildings, industries and public administrations. The solutions proposed, which are based on proprietary technologies and advanced digital tools integrating big data analysis and artificial intelligence, contribute to the achievement of European climate objectives and to the structural reduction of energy consumption. Reference should be made to the chapter “E1 – Climate Change” for the results achieved in 2025.

- **Water resource management**

In the water sector, Italgas’ strategy is focused on the development, modernisation and digitisation of infrastructure. The adoption of advanced digital technologies for monitoring and managing networks, including smart meters and predictive maintenance systems derived from the experience gained in gas distribution, makes it possible to promptly identify and significantly reduce leaks and improve the overall efficiency of the service. This approach contributes to the sustainable development of the communities served, protecting an essential resource such as water and generating long-term environmental, economic and social benefits. Reference should be made to the chapter “Water losses” for details of the targets relating to the strategy described above and the results achieved in 2025.

Interests and views of stakeholders (SBM-2)

Continuous dialogue with stakeholders is a priority so that it can monitor the level of satisfaction with its operations, gather useful ideas on how to improve the quality of its services and operational and management models, promote more sustainable business practices, also in the long term, and create and maintain an ongoing relationship with the territories and communities in which the Group operates, in Italy and Greece. The categories of stakeholders and their specific methods of engagement are listed below:

- Investors and lenders: regular financial reports, conference calls, business plan presentations, shareholder meetings, physical and virtual meetings, corporate website, social networks;
- Suppliers: dedicated meetings, conventions, information and training initiatives, thematic engagement activities;

- Customers and sales companies: direct and ongoing relations, conventions, regular workshops, contact centres and customer portals, customer satisfaction surveys;
- Authorities and associations: periodic meetings, workshops for debate and discussion of sustainability topics;
- Employees: Theme-based events and training, regular meetings, annual meetings, engagement projects, company climate analysis, company intranet;
- Communities and local areas: meetings with representatives of local communities, associations and organisations, social and cultural initiatives.

The outcomes of stakeholder engagement are useful for making continuous improvements to services and operational processes, and their perspective contributes to the identification of relevant topics. In particular, during 2025 suppliers representative of the main types of procurement were involved in the update of the double materiality analysis (for further information reference should be made to the paragraph “Impact materiality”).

During the year, in addition to specific stakeholder engagement events, meetings and discussions were held with the various company departments in order to thoroughly assess the existence, extent and likelihood of Sustainability Impacts, Risks and Opportunities.

Material impacts, risks and opportunities and their interaction with strategy and business model (SBM-3)

For the description of Impacts, Risks, and Opportunities resulting from the double materiality analysis, please refer to the tables at the end of this chapter.

Description of processes to identify and assess material impacts, risks and opportunities (IRO-1)

In compliance with the CSRD, the Italgas Group has conducted the double materiality exercise in accordance with the European Sustainability Reporting Standards (ESRS). The analysis is the starting point for the identification of the most relevant issues for the Group and its main stakeholders, as well as for the definition of the topics to be addressed and deepened within the Sustainability Statement.

The main Impacts, Risks and Opportunities (IROs) linked to environmental, social and governance issues for the Group's direct operations, as well as along the value chain, have been identified in a structured and systematic way, considering the time horizons in which they are expected to be implemented. The assessment of Risks and Opportunities carried out by the ERM department serves as input for the assessment of possible Impacts; at the same time, the updated list of impacts is critically analysed by ERM for identifying possible Dependencies and Impacts as sources of potential Risks and/or Opportunities with financial effects, identifying possible alignments, synergies, contributions and possible trade-offs between Risks and Opportunities, and Impacts. This process is closely integrated into the Group's ERM system, in line with international best practices and standards, such as the COSO Framework and ISO 31000; it has also been shared with company departments competent in the subject matter, and with the Group's Top Management, ensuring that the data collected is validated and a complete view of the impacts and risks is obtained.

The decision-making process involves the SVCC and the CRRPTC, which evaluate the results of the analysis before their final approval by the Board of Directors.

Impact materiality

Regarding the impact materiality analysis, Italgas has identified and assessed the impacts generated by its activities, considering both direct operations and indirect activities along the entire value chain, adopting an inside-out perspective, with the aim of identifying the current and potential positive and negative effects that the Group and the stakeholders operating along its value chain generate or could generate on the environment and people. In 2025, Italgas updated the analysis carried out in the previous year through several phases of a structured process, in accordance with the guidance set out in “IG1: Materiality Assessment Implementation Guidance” published by EFRAG:

- Analysis of the internal/external context: verification of Italgas’ alignment with emerging topics and trends through the assessment of the main sustainability frameworks (UNEP FI, SASB, MSCI and S&P) and the sustainability reporting of other actors, including at international level, in the sectors in which the Group operates, as well as through the analysis of internal factors.
- Stakeholder engagement activities: detailed analysis of the value chain through the engagement of suppliers representative of the main types of procurement required for the construction and maintenance of infrastructure and plants (upstream value chain), as well as for asset disposal activities (downstream value chain). The consultation was structured to ensure broad and targeted involvement, enabling a thorough understanding of impacts along the value chain.
- The information collected during the interviews contributed to updating the overall list of impacts, strengthening its completeness and clarity.
- Review of impacts: based on the outcomes of the first two phases, all topics identified in the previous period, as well as the related impact assessments, were reviewed.

This activity made it possible to review the list of impacts identified in the previous year and submit them to a validation process conducted by the Italgas Sustainability team, in collaboration with the ERM department and the functions responsible for each impact area.

The significance of actual impacts was assessed on the basis of the severity of each impact, measured through the three parameters of scale, scope and irremediability assigned according to a “gross” approach, i.e. without considering any existing mitigation measures, in a similar way to how it was done for risks and opportunities:

- scale measures the strength of the impact, i.e. the intensity of the effects generated on the environment and people;
- scope, which assesses the extent of the impact generated, was determined according to specific parameters, such as the presence of the impact along the stages of the value chain involved;
- irremediability, which represents the level of difficulty in remedying the impact generated, considers both the financial and time resources required to remedy the impact.

Each of the three parameters is defined according to scales of five levels, which allow for a total severity assessment (also divided into five levels). In the case of positive impacts, irremediability is not a parameter considered in the assessment. In the case of potential impacts, materiality is determined on the basis of a further parameter, namely the likelihood of an impact to occur (determined on a five-level scale).

The Impacts of material relevance that have been assigned a severity and likelihood rating above the predetermined materiality threshold determine the sustainability issues to be reported in accordance with the ESRS⁵⁷.

Financial materiality

In the second stage of the process, the financial materiality analysis, an outside-in perspective was adopted, aimed at identifying risks and opportunities that affect or could affect the Group's financial position, economic results and cash flow, as well as access to the financial market and cost of capital, in the short, medium and long term. The significant risks/opportunities have been outlined for each applicable ESRS Topic/Sub-Topic. Each event was assessed using thresholds of probability of occurrence and impact on the economic-financial dimension taking into account the persistence of the impact in the short, medium or long term. The combination of the level of probability and the economic and financial impact results in a rating (very relevant, relevant, of little relevance, not relevant) associated with each risk/opportunity and represents its prioritisation. The methodology followed for the prioritisation of risks and opportunities does not depend on the type of risk; in fact, sustainability risks are prioritised using the same criteria as those used for other types of risk. Risks/opportunities rated "relevant" or "very relevant" are considered significant; the presence of at least one significant risk/opportunity determines the financial materiality of the ESRS Topic/Sub-Topic to which the event is connected.

Significant risks are linked to those present in the mapping of ERM risks. Relevant opportunities are integrated into the strategic agenda.

The main inputs taken into consideration for the analysis of the significant risk relating to the topic of Climate Change refer to energy scenarios developed by external sources (ENTSOG-ENTSOE Distributed Energy and Global Ambition). For the analysis of relevant opportunities relative to the topic of Climate Change, the investments and assumptions set forth in the Group's Strategic Plan were taken into consideration.

Disclosure requirements in ESRS covered by the company's sustainability statement (IRO-2)

The Group outlined the relevant information to be disclosed, following a process that firstly considered all datapoints related to the issues identified as relevant from the perspective of Impacts, Risks and Opportunities.

⁵⁷ The impacts considered relevant are those identified as "relevant" or "critical".

Impact materiality: Sustainability impacts

Standard	Impact name	Positive / negative	Description of impact and connections with the business model, strategy and/or value chain	Time frame	Value chain					
					Raw material extraction	Raw material processing	Construction and maintenance of infrastructure and plants	Direct Group Operations	Use of the infrastructure	Asset disposal (network and smart meter)
E1	Benefits from the ESCo's network digitisation and energy efficiency works	Positive	Investments in the repurposing and digitisation of the Group's distribution networks to enable the transmission of green gases such as biomethane and hydrogen, and the provision of energy efficiency services to reduce consumption and emissions through the ESCo Geoside.	Short-medium-long				x	x	
E1	Contribution to climate change	Negative	Greenhouse gas emissions generated by direct and indirect operations along the value chain.	Medium-long	x	x	x	x		x
Entity-specific	Water losses along the distribution network of the Group's water business	Negative	Water losses along the distribution network, resulting in the waste of the resource.	Medium-long				x ⁵⁸		
E5	Damage caused by waste production	Negative	Waste generation along the value chain, including mining waste, chemical residues and contaminated materials.	Short-medium-long	x	x	x	x		x
E5	Use of non-renewable resources along the value chain	Negative	Use of non-renewable resources along the value chain, with the progressive depletion of raw materials.	Short-medium-long	x	x	x	x		
E5	Low proportion of recyclable materials in the smart meter product	Negative	Distribution and use of smart meters, involving the use of non-renewable resources and limited material circularity.	Short-medium-long				x	x	x
S1-S2	Failure to respect human rights	Negative	Potential violations of human and labour rights in the Group's direct activities and in the upstream phases of the value chain.	Short-medium-long	x	x	x	x		
S1-S2	Failure to respect diversity and equal opportunities of workers	Negative	Potential failure to respect diversity and equal opportunities in the Group's direct activities and in the upstream phases of the value chain.	Short-medium	x	x	x	x		
S1-S2	Failure to protect the health and safety of workers	Negative	Impacts on the health and safety of both the Group's own workers in operational activities and the workers employed in the upstream phases of the value chain.	Short	x	x	x	x		

⁵⁸ Applies to the Group's consolidated water companies.

S1	Increasing the professionalism and preparedness of employees through upskilling and reskilling	Positive	Investments in continuous training to develop skills, strengthen engagement and retention, attract talent and improve health and safety at work.	Short-medium				x		
S1	Contribution to employee welfare through the implementation of welfare initiatives and measures	Positive	Implementation of welfare initiatives to promote employee well-being and work-life balance.	Short-medium				x		
S3	Damage to the health and safety of local communities resulting from the lack of asset integrity	Negative	Potential impacts on the health and safety of local communities arising from asset integrity issues and false alarms caused by the dispersion of odorant.	Short	x	x	x	x		
S3	Limited capacity for infrastructure modernisation and digitisation	Negative	Potential limited capacity for the modernisation and digitisation of infrastructure, with impacts on service continuity and delays in the energy transition.	Medium-long			x	x	x	
G1	Promoting a healthy and transparent corporate culture	Positive	Promotion of a healthy and transparent corporate culture, based on values of integrity and secure channels for reporting wrongdoing.	Short				x		
G1	Supply chain resilience through transparent and clear relationships with their suppliers	Positive	Transparent relationships and fair practices with suppliers, promoting supply chain resilience and sustainable development along the value chain.	Medium-long				x		
G1	Damage caused by incidents of corruption	Negative	Potential corruption incidents with negative effects on institutions and society, fostering inequalities and diversion of resources.	Short-medium-long	x			x		
G1	Contributions from the activities of trade associations	Positive	Transparent lobbying activities and dialogue with trade associations to contribute to the definition of policies supporting the sustainable development of the sector.	Medium-long				x		

Financial materiality: Sustainability Risks and Opportunities

Stand ard	Risk / Opportuni ty	Probabili ty	Impact	Time Frame	Description of the Effects	Current financia l effects	Expecte d financia l effects	Positioning in the Value Chain	Management actions
E1	Risk of weakening of the weight of gas as an energy carrier for the residential segment	Possible	High	Long	Under a scenario of greater electrification of consumption (e.g. ENTSG-ENTSOE Distributed Energy and Global scenarios), there could be a long-term decline in the use of gas (natural gas, biomethane and hydrogen) in the	With regard to current effects, no current impacts of the risk have emerged in the financial materiality assessment.	Marginal negative impact on the Group's revenues, given the current regulatory mechanism which, in Italy, provides for a revenue component that	Direct Group Operations – End-user use	Adherence to the United Nations Global Compact and to UNEP's OGMP 2.0. - Active participation in consultations called by the Italian government or by European community organisations on relevant topics and in the activities of European sector

					residential segment. Such scenarios are influenced by: the time required to reach grid parity between conventional sources and renewable energy; the development of renewable gas production; incentives for renewable fuels; the upgrading of infrastructure; and new technological solutions available for civil use. Energy efficiency improvements and good consumption practices may not be sufficient to offset the decline in gas volumes projected in these scenarios. In such a worst-case scenario, the long-term impact for the Group would be a decrease in the net activation of new re-delivery points in the residential sector.		is parametric and dependent on the number of re-delivery points managed by the Group.		associations. - Conversion of the network into digital infrastructure to enable the distribution of gas other than methane. - Development and adoption of Nimbus, the new generation smart meter. - Development of power-to-gas technology. - Group's presence in the energy efficiency sector through Geoside and in the water business through Nepta, with prospects for growth.
E1	Opportunities to enable the use of renewable gas in order to meet residential demand	Likely	Maximum	Medium	Gas distribution infrastructure plays a key role in decarbonisation. In this context, the Group's commitment to digitalisation represents a fundamental step to: i) accelerate the distribution of renewable digitisation; ii) reduce the Group's carbon footprint; and iii) make the network more	With regard to current effects, no current impacts of the opportunity have emerged in the financial materiality assessment.	The investments planned for metering and for the repurposing of the network, given the current regulatory mechanism, are subject to remuneration	Direct Group Operations	- Development of power-to-gas technology. - Assessment of the adequacy of networks and facilities and measures aimed at enabling the distribution of gases other than methane. - Process of converting the network into digital infrastructure to enable the distribution of gas other than

					reliable and capable of adapting to the impacts of climate change. In particular, the Strategic Plan provides for investments in metering and in the repurposing of the network to increase its flexibility and ensure the connections necessary for the distribution of biomethane and hydrogen. These actions generate medium- to long-term impacts that contribute to climate change mitigation and adaptation in the areas where Italgas operates.		and therefore contribute to generating value for the Group.		methane. - Development and adoption of Nimbus, the new generation smart meter.
G1	Risk of commission of offences to the advantage of the body / related to the organisational model referred to in Legislative Decree no. 231/2001	Remote	Maximum	Short	According to Legislative Decree no. 231 of 2001 ("Decree 231"), the Group is subject to liability in the event of alleged offences committed, including abroad, in its interest or to its advantage, by individuals holding representative, administrative, or managerial functions, as well as by individuals under the direction or supervision of any such persons. Although the Italgas Group has measures in place to prevent and counter possible non-compliance risks, in the event of a conviction the	With regard to current effects, no current impacts of the risk have emerged in the financial materiality assessment.	Possible monetary penalties, disqualification sanctions, as well as confiscation of the proceeds of the offence and publication of the conviction in the event that a disqualification sanction is applied.	Direct Group Operations	- Internal control and risk management system and areas of responsibility defined in terms of compliance. - Code of Ethics, Model 231, Policy for the prevention of and fight against corruption, ISO 37001 anti-bribery certification. - Monitoring, analysis, distribution and implementation of legislative measures on topics of interest for the Italgas Group and verification of correct implementation. - Training for personnel on compliance issues. - Analysis and

					Italgas Group would be subject to the penalties provided for by law.				monitoring of the reputational requirements of the Group's counterparties. - "Supplier Code of Ethics".
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Disclosure Requirement	Page	Information derived from other EU legislative acts
ESRS 2		
BP-1	76-77	
BP-2	76-77	
GOV-1	77 to 80	Gender diversity in the board, paragraph 21, letter d) SFDR Annex I, Table 1, Indicator No. 13 Regulation on Benchmarks - Commission Delegated Regulation (EU) 2020/1816, Annex II
		Percentage of independent members of the board of directors, paragraph 21, letter e) Regulation on Benchmarks - Commission Delegated Regulation (EU) 2020/1816, Annex II
GOV-2	77 to 80	
GOV-3	80 to 82	
GOV-4	82	Due diligence statement, paragraph 30 SFDR - Annex I, Table 3, Indicator No. 10
GOV-5	82 to 83	
SBM-1	83 to 86	Involvement in activities related to fossil fuels, paragraph 40, letter d), point i) SFDR - Annex I, Table 1, Indicator No. 4 Third pillar - Article 449-bis of Regulation (EU) No. 575/2013; Commission Implementing Regulation (EU) 2022/2453, Table 1 – Qualitative information on environmental risk and Table 2 – Qualitative information on social risk Regulation on Benchmarks - Commission Delegated Regulation (EU) 2020/1816, Annex II
		Involvement in activities related to the production of chemicals, paragraph 40, letter d), point ii) SFDR - Annex I, Table 2, Indicator No. 9 Regulation on Benchmarks - Commission Delegated Regulation (EU) 2020/1816, Annex II
		Participation in activities connected to controversial weapons, paragraph 40, letter d), point iii) SFDR - Annex I, Table 1, Indicator No. 14 Regulation on Benchmarks - Article 12, paragraph 1, of Delegated Regulation (EU) 2020/1818 and Annex II of Delegated Regulation (EU) 2020/1816
		Involvement in activities related to tobacco cultivation and production, paragraph 40, letter d), point iv) Regulation on Benchmarks - Article 12, paragraph 1, of Delegated Regulation (EU) 2020/1818 and Annex II of Delegated Regulation (EU) 2020/1816
SBM-2	86	
SBM-3	87, 89 to 98	
IRO-1	87	
IRO-2	89	
E1		
E1-1	121 to 124	Transition plan to achieve climate neutrality by 2050, paragraph 14 EU Climate Regulation - Article 2, paragraph 1, of Regulation (EU) 2021/1119
		Companies excluded from benchmarks aligned with the Paris Agreement, paragraph 16, letter g) Third pillar - Article 449-bis of Regulation (EU) No. 575/2013; Commission Implementing Regulation (EU) 2022/2453, Model 1: Banking portfolio – Indicators of potential transition risk related to climate change: Credit quality of exposures by sector, emissions, and remaining maturity Regulation on Benchmarks - Article 12, paragraph 1, letters d to g, and paragraph 2, of Delegated Regulation (EU) 2020/1818
ESRS 2-GOV-3	121 to 124	
ESRS 2-SBM-3	124 to 128	

ESRS 2 IRO-1	124 to 128	
E1-2	128	
MDR-P	128	
MDR-A	128 to 130	
E1-3	128 to 130	
MDR-T	131-132	
E1-4	131-132	GHG reduction targets, paragraph 34 SFDR - Annex I, Table 2, Indicator No. 4 Third pillar - Article 449-bis of Regulation (EU) No. 575/2013; Commission Implementing Regulation (EU) 2022/2453, Model 3: Banking portfolio – Indicators of potential transition risk related to climate change: Alignment metrics Regulation on Benchmarks - Article 6 of Delegated Regulation (EU) 2020/1818
E1-5	132-133	Energy consumption from fossil fuels disaggregated by source (only high climate impact sectors), paragraph 38 SFDR - Annex I, Table 1, Indicator No. 5 and Annex I, Table 2, Indicator No. 5
		Energy consumption and energy mix, paragraph 37 SFDR - Annex I, Table 1, Indicator No. 5
		Energy intensity associated with activities in high climate impact sectors, paragraphs 40 to 43 SFDR - Annex I, Table 1, Indicator No. 6
E1-6	134-135	Gross emissions Scope 1, 2, 3 and total GHG emissions, paragraph 44 SFDR - Annex I, Table 1, Indicators No. 1 and 2 Third pillar - Article 449-bis of Regulation (EU) No. 575/2013; Commission Implementing Regulation (EU) 2022/2453, Model 1: Banking portfolio – Indicators of potential transition risk related to climate change: Credit quality of exposures by sector, emissions, and remaining maturity Regulation on Benchmarks - Article 5, paragraph 1, Article 6, and Article 8, paragraph 1, of Delegated Regulation (EU) 2020/1818
		Gross GHG emission intensity, paragraphs 53 to 55 SFDR - Annex I, Table 1, Indicator No. 3 Third pillar - Article 449-bis of Regulation (EU) No. 575/2013; Commission Implementing Regulation (EU) 2022/2453, Model 3: Banking portfolio – Indicators of potential transition risk related to climate change: Alignment metrics Regulation on Benchmarks - Article 8, paragraph 1, of Delegated Regulation (EU) 2020/1818
E1-7	135	GHG absorptions and carbon credits, paragraph 56 EU Climate Regulation - Article 2, paragraph 1, of Regulation (EU) 2021/1119
E1-8	135-136	
E1-9	Phase-in	
E2 ⁵⁹	Non material	
E3 ⁶⁰	Non material	
E4 ⁶¹	Non material	
E5		
IRO-1	136	
MDR-P	136-137	
E5-1	136-137	
MDR-A	136 to 138	
MDR-M	136 to 138	
MDR-T	137 to 139	
E5-2	136 to 138	
E5-3	137 to 139	
E5-4	139	

⁵⁹ During the 2025 financial year, the Group's total NO_x emissions amounted to 26.2 tonnes.

⁶⁰ During the 2025 financial year, the Group's total water withdrawals amounted to 0.059 million cubic metres (they coincide with discharges, therefore consumption is nil).

⁶¹ From the detailed assessment carried out during the year, the topic of biodiversity was confirmed to be irrelevant, both from the point of view of impact and financial significance, as Italgas operates mainly in urban and street environments, from city gates to meters.

E5-5	139-140	Non-recycled waste, paragraph 37, letter d) SFDR - Annex I, Table 2, Indicator No. 13
		Hazardous and radioactive waste, paragraph 39 SFDR - Annex I, Table 1, Indicator No. 9
E5-6	Non material	
Water losses		
MDR-P	140-141	
MDR-A	141 to 143	
MDR-M	141 to 143	
MDR-T	141 to 143	
S1		
ESRS 2 SBM-2	144	
ESRS 2 SBM-3	144 to 146	Risk of forced labor, paragraph 14, letter f) SFDR - Annex I, Table 3, Indicator No. 13
		Risk of child labor, paragraph 14, letter g) SFDR - Annex I, Table 3, Indicator No. 12
S1-1	146 to 148	Political commitments on human rights, paragraph 20 SFDR - Annex I, Table 3, Indicator No. 9 and Annex I, Table 1, Indicator No. 11
		Policies regarding due diligence on issues covered by the fundamental conventions 1 to 8 of the International Labour Organization, paragraph 21 Regulation on Benchmarks - Commission Delegated Regulation (EU) 2020/1816, Annex II
		Procedures and measures to prevent human trafficking, paragraph 22 SFDR - Annex I, Table 3, Indicator No. 11
		Policy for the prevention or management of workplace accidents, paragraph 23 SFDR - Annex I, Table 3, Indicator No. 1
MDR-P	146 to 148	
S1-2	148-149	
S1-3	149-150	Complaint/grievance mechanisms, paragraph 32, letter c) SFDR - Annex I, Table 3, Indicator No. 5
S1-4	150 to 154	
S1-5	154	
MDR-T	154	
MDR-M	154	
S1-6	154 to 156	
S1-7	156	
S1-8	156 to 158	
S1-9	158-159	
S1-10	159	
S1-11	159	
S1-12	159	
S1-13	160	
S1-14	160-161	Number of deaths and number and rate of work-related injuries, paragraph 88, letters b) and c) SFDR - Annex I, Table 3, Indicator No. 2 Regulation on Benchmarks - Commission Delegated Regulation (EU) 2020/1816, Annex II
		Number of lost days due to injuries, fatal accidents, or illnesses, paragraph 88, letter e) SFDR - Annex I, Table 3, Indicator No. 3
S1-15	161	
S1-16	161-162	Unadjusted gender pay gap, paragraph 97, letter a) SFDR - Annex I, Table 1, Indicator No. 12
		Regulation on Benchmarks - Commission Delegated Regulation (EU) 2020/1816, Annex II

		Excessive gender pay gap in favor of the CEO, paragraph 97, letter b) SFDR - Annex I, Table 3, Indicator No. 8
S1-17	162	Discrimination-related incidents, paragraph 103, letter a) SFDR - Annex I, Table 3, Indicator No. 7
		Failure to comply with the UN Guiding Principles on Business and Human Rights and OECD guidelines, paragraph 104, letter a) SFDR - Annex I, Table 1, Indicator No. 10 and Annex I, Table 3, Indicator No. 14 Regulation on Benchmarks - Annex II of Commission Delegated Regulation (EU) 2020/1816 and Article 12, paragraph 1, of Commission Delegated Regulation (EU) 2020/1818
S2		
ESRS 2 - SBM-2	161-162	
ESRS 2 - SBM-3	162-163	Severe risk of child or forced labor in the labor chain, paragraph 11, letter b) SFDR - Annex I, Table 3, Indicators No. 12 and 13
S2-1	164-165	Political commitments on human rights, paragraph 17 SFDR - Annex I, Table 3, Indicator No. 9 and Annex I, Table 1, Indicator No. 11
		Policies related to workers in the value chain, paragraph 18 SFDR - Annex I, Table 3, Indicators No. 11 and 4
		Failure to comply with the UN Guiding Principles on Business and Human Rights and OECD guidelines, paragraph 19 SFDR - Annex I, Table 1, Indicator No. 10 Regulation on Benchmarks - Annex II of Commission Delegated Regulation (EU) 2020/1816 and Article 12, paragraph 1, of Commission Delegated Regulation (EU) 2020/1818
		Policies regarding due diligence on issues covered by the fundamental conventions 1 to 8 of the International Labour Organization, paragraph 19 Regulation on Benchmarks - Commission Delegated Regulation (EU) 2020/1816, Annex II
MDR-P	164-165	
S2-2	165-166	
S2-3	166-167	
S2-4	167-168	Issues and incidents related to human rights in its upstream and downstream value chain, paragraph 36 SFDR - Annex I, Table 3, Indicator No. 14
S2-5	168-169	
MDR-T	168-169	
MDR-M	168-169	
S3		
ESRS 2 SBM-2	169	
ESRS 2 SBM-3	169	
S3-1	169-170	Political commitments on human rights, paragraph 16 SFDR - Annex I, Table 3, Indicator No. 9 and Annex I, Table 1, Indicator No. 11
		Non-compliance with the UN Guiding Principles on Business and Human Rights, the ILO principles, or the OECD Guidelines, paragraph 17 SFDR - Annex I, Table 1, Indicator No. 10 Regulation on Benchmarking - Annex II of Commission Delegated Regulation (EU) 2020/1816 and Article 12, Paragraph 1, of Commission Delegated Regulation (EU) 2020/1818
MDR-P	169-170	
S3-2	170	
S3-3	171	
S3-4	171-172	Human rights issues and incidents, paragraph 36 SFDR - Annex I, Table 3, Indicator No. 14
MDR-A	171-172	
S3-5	172-173	
MDR-M	172-173	
MDR-T	172-173	

S4	Non material	
G1		
ESRS 2 GOV-1	174	
ESRS 2 IRO-1	174	
G1-1	174 a 176	UN Convention Against Corruption, paragraph 10, letter b) SFDR - Annex I, Table 3, Indicator No. 15
		Whistleblower protection, paragraph 10, letter d) SFDR - Annex I, Table 3, Indicator No. 6
MDR-P	174 to 176	
G1-2	176	
G1-3	176- 178	
G1-4	178	Fines imposed for violations of active and passive corruption laws, paragraph 24, letter a) SFDR - Annex I, Table 3, Indicator No. 17 Regulation on Benchmarking - Annex II of Commission Delegated Regulation (EU) 2020/1816
		Rules on fighting active and passive corruption, paragraph 24, letter b) SFDR - Annex I, Table 3, Indicator No. 16
G1-5	178- 179	
G1-6	179	
MDR-A	179- 180	
MDR-M	179- 180	
MDR-T	179- 180	

Italgas Group Policies

The Group's strategic guidelines, set out in the Sustainable Value Creation Plan 2025-2031 in the form of objectives and actions in the short and medium to long term, are developed in line with the United Nations Sustainable Development Goals and are formalised in a set of policies which, building on the principles set out in the Code of Ethics, define commitments and lines of action. The main contents of the individual policies are described in the respective reference chapters, to which reference should be made for a detailed description of the essential elements.

E1	Climate change policy
E5	HSEQE Policy (Health, Safety, Environment, Quality, Energy Efficiency)
Entity Specific	Integrated water service policy
S1	- Human rights policy - Policy on Labour Rights and Employment Practices - Diversity, Gender Equality and Inclusion Policy - HSEQE Policy (Health, Safety, Environment, Quality, Energy Efficiency) - Code of Ethics
S2	- Human rights policy - Supplier Code of Ethics
S3	- Climate change policy - Human rights policy
G1	- Code of Ethics - Corporate Compliance

The Italgas Group Policies apply to all the Group's companies, to all employees and, where relevant, to stakeholders along the value chain.

The Group CEO is responsible for overseeing the Group's implementation of the Policies, while the CEOs of Group companies are responsible for overseeing and implementing the Policies for each company for which they are responsible.

The Policies are disseminated through internal and external communication channels, such as the corporate intranet and the website, and are supported by training initiatives, awareness-raising activities and consultation with employees to gather feedback and promote continuous improvement. These opportunities for dialogue allow their opinions to be integrated into the decision-making process and strengthen their sense of belonging.

7.2 Environmental information

Disclosure pursuant to Article 8 of Regulation (EU) 2020/852 (Taxonomy Regulation)

EUROPEAN TAXONOMY

The European taxonomy for sustainable activities was instituted with EU Regulation 2020/852 in order to define a unique criterion for the classification of sustainable economic activities from an environmental viewpoint. The European Union aims to provide companies, investors and policy managers with appropriate definitions for environmentally-sustainable activities, useful on the one hand to achieve the medium- and long-term European objectives, directing their investments, and on the other to offer greater security to investors and companies in their green investment choices. With its investments in the gas networks aimed at making them carriers of renewable gases, in electronic meters, in energy efficiency and the ever greater reduction of potential grid losses (gas and water), Italgas helps pursue the energy transition necessary to achieve the European Green Deal objectives, while at the same time ensuring the stability of energy systems.

EU Regulation 2020/852 defines an activity as environmentally-sustainable if it makes a substantial contribution to achieving one of the following six environmental objectives:

- climate change mitigation,
- climate change adaptation,
- the sustainable use and protection of water and marine resources,
- the transition to a circular economy,
- pollution prevention and control,
- the protection and restoration of biodiversity and ecosystems.

In particular, the Taxonomy, as it is defined today, establishes that an activity shall be:

- **eligible**, when included in the list of environmentally sustainable economic activities contained in delegated acts EU 2021/2139, EU 2023/2485 and EU 2023/2486, regardless of whether they meet the relevant technical screening criteria and/or DNSH (Do No Significant Harm),
- **aligned**, eligible activity that makes a substantial contribution to the achievement of one or more of the environmental objectives described in Regulation (EU) 2020/852, in accordance with the technical screening criteria defined by the Commission itself and that does not harm the remaining objectives (Do No Significant Harm – DNSH), in compliance with the minimum safeguards regarding the protection of labour and human rights.

The data reported in this section therefore comply with the reporting obligation introduced in 2022 pursuant to Article 19a or Article 29a of Directive 2013/34/EU.

From 2026, with effect for the 2025 reporting year, the new templates provided for in Regulation 2026/73 published on 8 January 2026 have been adopted.

The 2024 data refer to what was published by the Italgas Group in the previous financial year and therefore do not include the data of 2i Rete Gas.

Main assumptions

To define the share of revenues, operating expenses and capital expenditure deriving from activities that are eligible or aligned with the taxonomy, Italgas used EU Delegated Regulations 2021/2139, 2021/2178, 2023/2485 and 2023/2486 that supplemented Regulation 2020/85.

The portion of non-eligible activities includes all those activities that are not described in the Delegated Regulation EU 2021/2139, 2023/2485 and 2023/2486 irrespective of whether or not these activities can significantly contribute to one of the six environmental objectives defined in the Regulation EU 2020/852.

Methodology

The mapping of activities provided a detailed overview of the individual activities carried out by Italgas SpA and its subsidiaries. The NACE code associated with the operating company has not been considered as a restriction for inclusion or exclusion, given that, in the case of Italgas and its subsidiaries, the NACE code in most cases reflects the core business and does not necessarily reflect the details required by the Taxonomy. For the definition of "eligible activity" or "aligned activity", consistency with the definition of activities included in delegated acts was therefore considered.

In 2025, the data also include the contribution of 2i Rete Gas, consolidated in the reference period from 1 April 2025 following the acquisition and merger of the company⁶².

Where an activity can be considered both in light of climate mitigation and climate adaptation, the main aim for which this activity was implemented and the prevailing impacts were assessed, thereby guaranteeing no duplication of data. In general, it was found that the Italgas activities considered meet the climate mitigation objective, with the exception of the activities included under (2.1) *Water supply*, which fall under the environmental objective of “*sustainable use and protection of water and marine resources*”⁶³. Compliance with technical screening criteria, DNSH (Do No Significant Harm to the environment criteria) and compliance with the minimum safeguard were assessed to determine which eligible assets were also sold according to the Taxonomy.

Italgas mainly carries out the gas distribution activity and therefore acts to create the best possible conditions to ensure that its network is “enabled” for the distribution of hydrogen and/or other renewable gases. It is not, however, responsible for the production of such gases nor for the definition of the blending thresholds, which

⁶²With regard to CapEx, to ensure comparability with the previous reporting period, the denominator does not include the value of tangible and intangible assets (excluding goodwill) and right of use arising from the acquisition of 2i Rete Gas on 1 April 2025, amounting to 5,351.4 million euro. The denominator, calculated taking into account the specified items, would amount to €6,555 million.

⁶³Acqua Campania engages in transportation activities with water loss levels of 2.6%, improving year-on-year. The nature of the transportation activity makes the application of the Infrastructure Leakage Index (ILI) described in the technical screening notes not feasible, as it is related to water distribution.

are the responsibility of other parties. In considering the activities, it was assessed how far the Group can act to facilitate and make possible, within the plan horizon, the distribution of green gases in addition to methane.

Eligible activities

In accordance with Delegated Regulations no. 2021/2139, 2023/2485 and 2023/2486, which supplement Regulation no. 2020/852, the analysis carried out by Italgas starting from 2021 led to the identification the following of eligible activities set forth below in order of significance:

- (4.14) Renewable gas and low carbon emission gas distribution and transmission networks in respect of the gas distribution business
- (7.5) Installation, maintenance and repair of devices related to metering, regulation and energy performance control of buildings in respect of metering
- (7.3) Installation, maintenance and repair of energy efficiency devices for all energy efficiency activities
- (3.10) Manufacture of hydrogen
- (4.11) Storage of thermal energy
- (2.1) Water supply
- (5.1) Construction, expansion and management of water collection, treatment and supply systems
- (5.2) Renewal of water collection, treatment and supply systems
- (4.1) Production of electricity by means of solar-photovoltaic technology
- (7.1) Construction of new buildings
- (7.2) Renovation of existing buildings
- (7.4) Installation, maintenance and repair of electric vehicle charging stations in buildings
- (7.6) Installation, maintenance and repair of renewable energy technologies
- (8.1) Data processing, hosting and related activities
- (9.3) Professional services related to energy performance of buildings

Revenues aligned or eligible for Taxonomy

The share of revenues aligned with or eligible for the Taxonomy for the year 2025, in compliance with subsection 1.1.1 of Annex 1 to Delegated Regulation 2021/2178, is calculated as the sum of revenues derived from products or services associated with activities respectively aligned with or eligible for the Taxonomy, proportionally to the total net revenues of the Group (of the scope described above) recorded in compliance with International Accounting Standard (IAS) no. 1, subsection (82: (a)), shown in the Notes to the Consolidated Financial Statements in section 27.

Aligned revenues include activities for which technical screening, DNHS and minimum guarantees of safeguards criteria are met. More specifically, revenues from the construction and upgrading of gas distribution and metering infrastructure related to services under concession arrangements are considered aligned, in accordance with IFRIC 12, for (i) the share referring to activities aimed at making the network suitable for the distribution of renewable and low-carbon gases including all requalification of the distribution network and its extensions, carried out with materials suitable for the new renewable gases (activity 4. 14); (ii) the share referring to activities involving the detection of leaks, the repair of existing gas pipelines and other elements of

the network, aimed at reducing methane leaks (activity 4. 14); and (iii) the share referring to the activities of installation, maintenance and repair of smart gas meters (activity 7.5). Also included is the share of gas metering service remuneration related to the costs recognized for the installation and maintenance of smart meters (activity 7.5). Revenues deriving from activities relating to energy efficiency, water service and ICT have also been included, consistently with the Taxonomy criteria.

All those activities that, although included in the list of Delegated Regulation EU 2021/2139, do not meet all the technical screening and/or DNSH criteria, are considered eligible but not aligned.

The share of revenues considered ineligible includes all activities not covered by the previous points.

Operating expenses aligned with or eligible for Taxonomy

The portion of aligned or eligible operating expenses (OpEx) is calculated as the ratio between operating costs related to activities or processes respectively aligned or eligible for the taxonomy, in proportion to the operating expenses incurred, in compliance with the provisions of subsection 1.1.2 of Annex 1 to Delegated Regulation 2021/2178. Operating expenses include by Delegated Regulations, direct non-capitalized costs related to research and development, building renovation measures, short-term leases, maintenance and repair and any other direct expenditures relating to the day-to-day servicing of assets of property, plant and equipment necessary to ensure the continued and effective functioning of such assets.

The operating expenses referred to in subsection 1.1.2 of Annex 1 to Delegated Regulation 2021/2178 are a part of those shown in subsection 28 of the Notes to the Consolidated Financial Statements.

The activities to which these expenses refer are those described in the previous sections, in addition to the operating expenses related to real estate services.

Capital expenditures aligned with or eligible for Taxonomy

The portion of capital expenses (CapEx), in compliance with paragraph 1.1.2 of Annex 1 to Delegated Regulation 2021/2178, is calculated as the ratio between investments in activities or processes eligible to the taxonomy with respect to the increases in tangible and intangible assets in 2025, considered before amortisation/depreciation, impairment and any value adjustment, including those resulting from the recalculation and reduction in value and excluding changes in fair value and those arising from the business combination.

As a result, the CapEx aligned with the Taxonomy include all investments related to the installation, maintenance and repair of digital meters. For the gas distribution activity, the following has been included: the investments made in the network for the distribution of renewable and low-carbon gases, including all requalification of the distribution network and its extensions, carried out with materials suitable for the new renewable gases and the portion of investments relating to activities involving the detection of leaks, the repair of existing gas pipelines and other elements of the network, aimed at reducing methane leaks. The CapEx related to energy efficiency, the water service, real estate and ICT were also included in line with the Taxonomy criteria.

All those activities that, although included in the list of EU Delegated Regulation 2021/2139, 2023/2485 and 2023/2486, do not comply with all the technical screening criteria and/or DNSH criteria are considered eligible,

but not aligned. In particular, the CapEx eligible but not aligned with the Taxonomy include expenses related to Power-to-Gas project since, for that project, which qualifies for the production of green hydrogen from renewable sources (hence without carbon production), when this analysis was closed, the third-party assessment of the emission level was not available. Once this certification is obtained and in view of the nature of the activities, the project will meet the technical and DNSH screening criteria.

The CapEx considered as not eligible, in continuity with last year, include all activities not described in EU Delegated Regulations 2021/2139, 2023/2485 and 2023/2486.

Do No Significant Harm to environmental goals (DNSH)

Climate change mitigation: the activities considered meet the climate change mitigation objective. In the case of the activity “(2.1) *Water supply*”, the DNSH assessment with respect to the climate change mitigation objective is not required.

Climate change adaptation: the analysis of the physical climate risks affecting Italgas' activities is integrated into the Group's strategic planning process and ERM model. It takes into account the vulnerability of specific activities, the mitigation actions implemented and the adaptation solutions. To facilitate the identification of risks related to climate change, the ERM Department carries out a specific analysis based on physical scenarios to identify the main drivers of climate change that could impact Italgas' activities in the short (1 year), medium (2 to 5 years) and long term (more than 5 years), and, for each of these drivers, a predefined list of risk/opportunity events applicable to Italgas is provided. The physical risks are assessed as low in consideration of the mitigation actions implemented. The list of risks considered was compared with the list in Appendix A, Annex I of Delegated Regulation EU 2021/2139. From the comparison made, it emerged that the activities do not pose significant harm to the ability to adapt to climate change, i.e. do not lead to a worsening of the negative effects of the current or future climate on humans, nature or on the Group's assets.

Furthermore, in the case of newly constructed physical assets, adaptation solutions that reduce the main climate risks affecting them are incorporated into the design and construction phases. Other activities considered to be aligned were assessed as not posing significant harm to the ability to adapt to climate change, i.e. they would not lead to a worsening of the negative effects of the current or future climate on humans, nature or on the Group's assets.

Sustainable use and protection of water and marine resources: Italgas is not required, for its gas and water distribution activities, to carry out an environmental impact assessment pursuant to Directive 2011/92/EU. This absence of such requirement is inherent in the nature of the distribution business. It should be noted, however, that the laying of distribution pipes is carried out in compliance with regulations, including those of an environmental and water protection nature, both national and local, and is subject to authorisation by the competent authorities. In the case of Nepta, the actions implemented aim to improve efficiency in the use of water resources; the company distributes only drinking water and is not involved in wastewater treatment activities.

Finally, HSEQE Policy commits the Group to the efficient use of water in the conduct of business activities. On the basis of the analyses carried out, the activities are not considered to be detrimental to the good potential status of water bodies (rivers, lakes, canals, coastal waters) or sea waters.

Transition towards a circular economy: in its activities, Italgas pursues the reduction and prevention of pollution. HSEQE Policy commits the Group to the reduction of waste produced and promotion, where possible, of its recovery. For the aligned activities, the principle of absence of significant damage is respected, in line with the provisions of Delegated Regulation (EU) 2021/2139. Considering the components and construction materials used, waste management and construction techniques and projects in the activities relating to point 7.1 and 7.2 respect the criteria of Delegated Regulation (EU) 2021/2139.

Pollution prevention and reduction: in its activities, the Company pursues the reduction and prevention of pollution. The HSEQE Policy commits the Group to the reduction of waste produced and the promotion, where possible, of its recovery. As regards distribution, the equipment considered as aligned in terms of the Taxonomy, falls within the scope of Directive 2009/125/EC, is compliant therewith and represents the best available technology. With regard to building components and materials used in activities related to Section 7.1, 7.2 and 7.3, the criteria in Appendix C, including the related regulations on the treatment and disposal of asbestos, are met.

Protection and restoration of biodiversity and ecosystems: the HSEQE Policy commits the Group to the protection of the environment and the responsible management of the significant environmental impacts associated with its activities, pursuing the protection and care of the natural environment and combating climate change, avoiding deforestation, ensuring restoration and maintaining the balance of the ecosystem and biodiversity.

Italgas is not required, for its gas and water distribution activities, to carry out an environmental impact assessment pursuant to Directive 2011/92/EU. For both networks, the laying of the pipelines, related structures and excavation works are carried out in compliance with environmental regulations, limiting impacts on biodiversity and ecosystems. For large-scale water supply activities, Acqua Campania is subject to an environmental impact assessment in accordance with Directive 2011/92/EU. The laying of the pipelines, related structures and excavation works are carried out in compliance with environmental regulations also for this company, limiting impacts on biodiversity and ecosystems.

Minimum safeguards

The Italgas Code of Ethics, the Supplier Code of Ethics and the Human Rights Policy outline the reference principles and actions taken to protect human rights, compliance with laws and the principle of competition, and the fight against corruption in the performance of the Group's activities and, in general, in any context in which Italgas people and business partners operate. These principles are in line with the OECD Guidelines for Multinational Enterprises, the UN Guiding Principles on Business and Human Rights and the International Labour Organisation (ILO) Fundamental Conventions. The Policy for the Prevention of Discrimination and Protection of the Dignity of Group Personnel and the Diversity and Inclusion Policy reinforce the Group's commitments to the protection of Human Rights.

Italgas and its subsidiaries have adopted Organisation, Management and Control Models (Models 231), aimed at preventing the perpetration of offences that could result in administrative liability to the Company, as well as Internal Control and Risk Management systems that guarantee compliance with minimum safeguards.

All suppliers are also required to confirm their compliance in terms of human rights and work by accepting the Italgas Policy on Human Rights, health and safety, environmental protection and the ethical and responsible

management of the business. The Group conducts human rights due diligence involving both Group Companies and suppliers. Please refer to sections S1 and S2 for a description of the actions taken to 1) guarantee the protection of human rights through policies, actions, targets, whistleblowing channels and remedial measures; 2) promote and verify respect for human rights by suppliers, including reputational verification, qualification process, supplier engagement and training initiatives, ESG and health and safety audits, availability of whistleblowing channels and mechanisms for remedial action.

For taxation-related issues, the Italgas Group has adopted a Tax Strategy, intended as a set of principles and guidelines inspired by the values of its Code of Ethics, transparency and legality, which guide not only fiscal choices, but also those related to the core business of the Group as a whole. In order to ensure adequate control of the tax variable, it has also adopted an integrated internal control system on tax-related risks (the Tax Control Framework - TCF). The TCF is part of the Italgas Group's broader Internal Control and Risk Management System and ensures oversight of the tax variable. The Cooperative Compliance regime referred to in Legislative Decree no. 128/2015 as amended, reduces the level of uncertainty on tax issues and prevents the emergence of tax disputes through continuous and preventive forms of dialogue on situations likely to generate tax risks. Currently, the companies under the Cooperative Compliance regime are: Italgas S.p.A., Italgas Reti S.p.A., Toscana Energia S.p.A., Medea S.p.A., BluDigit S.p.A., Geoside S.p.A. and Newco S.p.A. Remaining in the regime allows for continuous and preventive dialogue with the Revenue Agency and is an indicator of the constant application of those principles of fairness, transparency and awareness of the fulfilment of tax obligations that characterise the Company's behavioural policy in relation to tax matters. Also, with regard to suppliers, checks about reputation and the possession of general requirements are carried out, including those inherent in tax and contribution regularity. Please refer to section S2 for more details.

Revenues are reported, along with CapEx and OpEx associated with the eligible activities. No information is supplied in respect of other KPIs, apart from that required by the Delegated Regulation (EU) 2021/2178.

Breakdown by environmental objectives of Taxonomy-aligned activities															
Financial year 2025															
KPI	Total	Proportion of Taxonomy-eligible activities	Taxonomy-aligned activities	Proportion of Taxonomy-aligned activities	Climate change mitigation	Climate change adaptation	Water	Circular economy	Pollution	Biodiversity	Proportion of enabling activities	Proportion of transitional activities	Not assessed activities considered non-material	Taxonomy-aligned activities in previous financial year (N-1)	Proportion of Taxonomy-aligned activities in previous financial year (N-1)
Turnover	3,589.0	33.1%	1,185.8	33.1%	30.7%	0%	2.3%	0%	0%	0%	7.7%	0.0%	0%	865.7	34.1%
CapEx	1,203.6	86.1%	1,030.2	85.6%	85.3%	0%	0.2%	0%	0%	0%	12.5%	1.7%	0%	765.3	78.8%
OpEx	153.4	78.7%	111.4	72.7%	64.3%	0%	8.4%	0%	0%	0%	42.9%	0.0%	0%	66.4	69.6%

Financial year 2025

Turnover€ million

Environmental objective of Taxonomy-aligned activities

Economic activities	Code	Taxonomy-eligible KPI (proportion of Taxonomy-eligible Turnover)	Taxonomy-aligned KPI (monetary value of Turnover)	Taxonomy-aligned KPI (proportion of Taxonomy-aligned Turnover)	Climate change mitigation	Climate change adaptation	Water	Circular economy	Pollution	Biodiversity	Enabling activity	Transitional activity	Proportion of Taxonomy aligned in Taxonomy eligible
2.1 Water supply	WTR 2.1	2.3%	84.1	2.3%			2.3%						100%
4.1 Production of electricity by means of solar-photovoltaic technology;	CCM 4.1	0.1%	4.1	0.1%	0.1%								100%
4.14 Renewable gas and low carbon emission gas distribution and transmission networks in respect of the gas distribution business;	CCM 4.14	22.6%	812.0	22.6%	22.6%								100%
5.1 Construction, expansion and management of water collection, treatment and supply systems;	CCM 5.1	0.3%	10.8	0.3%	0.3%								100%
7.3 Installation, maintenance and repair of energy efficiency devices for all energy efficiency activities;	CCM 7.3	2.5%	89.0	2.5%	2.5%						A		100%
7.5 Installation, maintenance and repair of metering, regulation and energy performance control devices and instruments of buildings in respect of metering;	CCM 7.5	5.1%	182.3	5.1%	5.1%						A		100%

7.6 Installation, maintenance and repair of renewable energy technologies;	CCM 7.6	0.0%	1.5	0.0%	0.0%						A	100%
9.3 Professional services related to energy performance of buildings.	CCM 9.3	0.1%	2.0	0.1%	0.1%						A	100%
3.10 Manufacture of hydrogen	CCM 3.10	0.1%	-	0.0%	0.0%							
4.15 Distribution of district heating/district cooling;	CCM 4.15	0.0%	-	0.0%	0.0%							
Sum of alignment per objective				30.7%	0.0%	2.3%	0.0%	0.0%	0.0%			
Total KPI (Turnover)		33.1%	1,185.8	33.0%	30.7%	0.0%	2.3%	0.0%	0.0%	0.0%		

The code contains the abbreviation of the goal to which the economic activity can make a substantial contribution, and the section number of the activity in the corresponding goal annex, i.e., CCM climate change mitigation; CCA climate change adaptation; WTR water and marine resources; CE circular economy; PPC pollution prevention and control; BIO biodiversity and ecosystems.

OpEx Financial year 2025
€ million

Environmental objective of the Taxonomy-aligned activities

Economic activities	Code	Taxonomy-eligible KPI (proportion of Taxonomy-eligible OpEx)	Taxonomy-aligned KPI (monetary value of OpEx)	Taxonomy-aligned KPI (proportion of Taxonomy-aligned OpEx)	Climate change mitigation	Climate change adaptation	Water	Circular economy	Pollution	Biodiversity	Enabling activity	Transitional activity	Proportion of Taxonomy aligned in Taxonomy eligible
2.1 Water supply	WTR 2.1	8.4%	12.9	8.4%			8.4%						100%
4.1 Production of electricity by means of solar-photovoltaic technology;	CCM 4.1	0.3%	0.5	0.3%	0.3%								100%
4.14 Renewable gas and low carbon emission gas distribution and transmission networks in respect of the gas distribution business;	CCM 4.14	21.0%	32.1	21.0%	21.0%								100%
5.1 Construction, expansion and management of water collection, treatment and supply systems;	CCM 5.1	0.1%	0.1	0.1%	0.1%								100%
7.3 Installation, maintenance and repair of energy efficiency devices for all energy efficiency activities;	CCM 7.3	38.9%	59.7	38.9%	38.9%						A		100%
7.5 Installation, maintenance and repair of metering, regulation and energy performance control devices and instruments of buildings in respect of metering;	CCM 7.5	2.1%	3.2	2.1%	2.1%						A		100%
7.6 Installation, maintenance and repair of renewable energy technologies;	CCM 7.6	0.0%	-	0.0%	0.0%						A		-
9.3 Professional services related to energy performance of buildings.	CCM 9.3	1.9%	3.0	1.9%	1.9%						A		100%
4.15 Distribution of district heating/district cooling;	CCM 4.15	0.0%	-	0.0%	0.0%								-
8.1 Data processing, hosting and related activities	CCM 8.1	6.1%	-	0.0%	0.0%								0%
Sum of alignment per objective					64.3%	0.0%	8.4%	0.0%	0.0%	0.0%			
Total KPI (OpEx)		78.7%	111.4	72.7%	64.3%	0.0%	8.4%	0.0%	0.0%	0.0%			

The code contains the abbreviation of the goal to which the economic activity can make a substantial contribution, and the section number of the activity in the corresponding goal annex, i.e., CCM climate change mitigation; CCA climate change adaptation; WTR water and marine resources; CE circular economy; PPC pollution prevention and control; BIO biodiversity and ecosystems.

CapEx, Financial year 2025
€ million

Environmental objective of the Taxonomy-aligned activities

Economic activities	Code	Taxonomy-eligible KPI (proportion of Taxonomy- eligible CapEx)	Taxonomy-aligned KPI (monetary value of CapEx)	Taxonomy-aligned KPI (proportion of Taxonomy- aligned CapEx)	Climate change mitigation	Climate change adaptation	Water	Circular economy	Pollution	Biodiversity	Enabling activity	Transitional activity	Proportion of Taxonomy aligned in Taxonomy eligible
2.1 Water supply	WTR 2.1	0.2%	3.0	0.2%			0.2%						100%
4.1 Production of electricity by means of solar-photovoltaic technology;	CCM 4.1	0.1%	0.7	0.1%	0.1%								100%
4.11 Heat energy storage;	CCM 4.11	0.0%	0.00	0.0%	0.0%						A		100%
4.14 Renewable gas and low carbon emission gas distribution and transmission networks in respect of the gas distribution business;	CCM 4.14	70.4%	847.8	70.4%	70.4%								100%
5.1 Construction, expansion and management of water collection, treatment and supply systems;	CCM 5.1	0.1%	1.1	0.1%	0.1%								100%
5.2 Renewal of water collection, treatment and supply systems;	CCM 5.2	0.5%	5.8	0.5%	0.5%								100%
7.1 Construction of new buildings	CCM 7.1	0.0%	0.6	0.0%	0.0%								100%
7.2 Renovation of existing buildings	CCM 7.2	1.7%	20.5	1.7%	1.7%							T	100%
7.3 Installation, maintenance and repair of energy efficiency devices for all energy efficiency activities;	CCM 7.3	0.8%	9.1	0.8%	0.8%						A		100%
7.4 Installation, maintenance and repair of electric vehicle charging stations in buildings	CCM 7.4	0.0%	0.0	0.0%	0.0%						A		100%
7.5 Installation, maintenance and repair of metering, regulation and energy performance control devices and instruments of buildings in respect of metering;	CCM 7.5	11.6%	140.1	11.6%	11.6%						A		100%

The code contains the abbreviation of the goal to which the economic activity can make a substantial contribution, and the section number of the activity in the corresponding goal annex, i.e., CCM climate change mitigation; CCA climate change adaptation; WTR water and marine resources; CE circular economy; PPC pollution prevention and control; BIO biodiversity and ecosystems.

ESRS E1 – Climate Change

Transition plan for climate change mitigation and Integration of sustainability-related performance in incentive schemes (E1-1, ESRS 2 GOV-3)

Italgas has adopted a transition plan that aligns the Group's business model and operations with the pathway to limiting global warming to 1.5°C, as outlined in the Paris Agreement and the European Union's climate goals. The plan aims to achieve net zero carbon for Scope 1 and 2 market-based emissions and Scope 3 supply chain emissions by 2050, setting specific intermediate targets for both the gas distribution business and the water service business (reference should be made to the paragraph “Targets related to climate change mitigation and adaptation (E1-4, MDR-T)”).

Italgas⁶⁴ transition plan, built on the pillars of sustainability, growth and innovation, is fully integrated into the Group's 2025–2031 Strategic Plan approved by the Board of Directors⁶⁵.

The Strategic Plan incorporates these considerations into financial planning, including the strategic planning of CapEx and OpEx, ensuring that sustainability goals influence decisions at all levels – from revenue generation to asset management.

The Group's Remuneration Policy is aligned with the objectives of the transition plan. The document, drafted by the Appointments and Compensation Committee and submitted to the Board of Directors for review and approval, provides for short-term and long-term compensation for Group Management, including the CEO, linked to the achievement of climate targets (please refer to DR GOV-3).

The transition plan includes the Group's strategy to address proactively both physical climate risks, associated with the impact of natural disasters on the integrity of the networks and ensuring their resilience to increasing climate variability, and transition risks.

In practice, the scenarios confirm that gas distribution networks are a fundamental infrastructure for achieving European climate objectives. The complete digitisation of the networks planned and implemented by the Group will allow the safe transport of renewable gas mixtures, such as biomethane, synthetic methane and hydrogen, which will progressively replace fossil natural gas. This technological upgrade contributes directly to reducing emissions, while confirming the relevance of the existing gas infrastructure beyond 2050. By integrating renewable gases, the Italgas Group supports an inclusive, economically sustainable and resilient energy transition in all the territories in which it operates (see DR E1-4).

Despite the absence of a specific methodology from the Science-Based Targets initiative (SBTi) for the oil and gas sector, in particular for gas distribution, Italgas' targets are nonetheless aligned with the trajectory set out in the SBTi cross-sector approach for a 1.5°C scenario compared with pre-industrial levels, in line with the Paris Agreement. Italgas remains committed to obtaining formal SBTi validation as soon as the sector methodology is available. In the meantime, the Company obtained confirmation of this alignment from an independent consulting firm (Carbonsink), specialised in the analysis of climate scenarios. The analysis of alignment with a 1.5° scenario of all the Group's targets (Scope 1 and Scope 2 market-based for gas distribution and the water service, Scope 3 – Supply Chain for both businesses) and of the greenhouse gas

⁶⁴ It includes elements with a time horizon extending up to 2050.

⁶⁵ Approved on 29 October 2025 <https://www.italgas.it/wp-content/uploads/sites/2/2025/10/Sustainable-Value-Creation-Plan-2025-2031.pdf>.

emission trajectories was carried out through comparison with the methodologies of the IPCC⁶⁶, the SBTi, the CDP–WWF Temperature Scoring Methodology⁶⁷ and the IEA.

The Group has defined specific decarbonisation levers for the implementation of its transition plan, in support of the greenhouse gas emission reduction targets, illustrated in detail in DR E1-3 / MDR-A. In addition, it conducted an assessment of the “locked-in”⁶⁸ greenhouse gas emissions associated with the Company’s main assets, identifying the residual fugitive emissions that remain even after all loss minimisation measures have been implemented as potential “locked-in” emissions.

The activity includes leak detection and repair of existing gas pipelines and other elements of the network to reduce methane leaks. This explains the high level of alignment of the capital investments implemented in gas distribution networks in 2025 according to the criteria of Commission Delegated Regulations (EU) 2020/852, 2021/2139, 2023/2485 and 2023/2486 (Delegated Regulations on Taxonomy) relating to the European Taxonomy.

According to the exclusion criteria defined in the Commission Delegated Regulation (EU) 2020/1818, which sets minimum standards for indices used as benchmarks for financial instruments and contracts or for measuring the performance of investment funds aligned with the Paris Agreement, the Group is excluded as it falls within the subset of companies deriving more than 50% of their revenue, calculated in accordance with IFRS accounting standards, from the exploration, extraction, production, or distribution of combustible gases.

Material impacts, risks and opportunities and their interaction with strategy and business model and Description of the processes to identify and assess material climate-related impacts, risks and opportunities (ESRS 2 SBM-3, ESRS 2 IRO-1)

Italgas’ strategy is influenced by climate change: the analysis of climate scenarios and related Impacts, Risks and Opportunities (IRO) are constantly considered during the drafting of the Strategic Plan. The identification and assessment of climate-related IROs is part of the double materiality analysis, which considered significant impacts from an inside-out perspective and significant risks/opportunities from a financial perspective. As part of the financial materiality assessment, the following climate-related risks/opportunities were identified as significant:

- Risk of weakening of the weight of gas as an energy carrier.
- Opportunities to enable the use of renewable gas in order to meet residential demand

Both of these events are considered Climate-related Transition Risks.

The assessment of the resilience of the Group's strategy to mitigate and adapt to climate change was developed was based on an analysis of climate scenarios that best represent the context in which Italgas operates, both transitional and physical, qualitative and quantitative, which are publicly available and do not exclude any physical or transitional risks of climate scenarios. The analysis helps identify and assess potential business impacts, and define the responses and actions needed to manage these risks and opportunities.

The scenarios used in the resilience analysis are provided below.

⁶⁶ Source: IPCC - Sixth Assessment Report

⁶⁷ Temperature scoring methodology developed by the Carbon Disclosure Project (CDP) and the World Wide Fund For Nature (WWF) that translates the ambition of corporate greenhouse gas emission reductions into temperature assessments for companies.

⁶⁸ This refers to the estimated Scope 1 and 2 GHG emissions over the operational life of key assets and those planned with certainty. Key assets are those owned or controlled by the company and consist of existing or planned assets (such as fixed or mobile installations, plants and equipment) that are a source of significant GHG emissions, caused directly or indirectly by energy generation. Key assets planned with certainty are those that the company will most likely start using within the next five years.

Transition scenarios

The transition scenarios on decarbonisation and energy transition highlight the relevance of the future role of gas in the energy mix, ensuring consistency with international and European objectives. The scenarios considered for the development of the 2025-2031 Strategic Plan are based on forecasts from the European Commission, the International Energy Agency's (IEA) World Energy Outlook, ENTSOG, ENTSO-E, IRENA, and national contributions (National Energy and Climate Plan for Italy and Greece, Snam-Terna scenarios). In particular, the IEA STEPS, APS and NZE scenarios were analysed with a focus on emission reduction and mitigation actions necessary to achieve the Net-Zero target by 2050. ENTSO scenarios (e.g. ENTSOG-ENTSOE Distributed Energy and Global Ambition) were analysed to focus on European trends, gas supply and demand within the Group's reference perimeter (Europe, Italy, Greece), the projected evolution of the gas mix (fossil fuels, biomethane, hydrogen and other renewables) and energy efficiency. The Snam-Terna scenarios focus on the Italian perimeter and are developed with an integrated approach by the main gas and electricity TSOs in Italy. They show an evolution of the energy mix towards 2030 and 2040, with overall gas demand remaining almost stable in the coming decades, thanks to a progressive shift to green gas, with an increasing role of biomethane in the decarbonisation of the residential sector. With reference to the Greek scope, the DESFA 2025-2034 demand forecast study is also considered, which anticipates an increase in gas demand due to the gasification of new areas planned by the Greek TSO (Western Macedonia, Western Greece, Peloponnese, Epirus). All scenarios are in line with the Paris Agreement and the European Union's ambition to reach the Net-Zero target in 2050. The potential occurrence of an energy scenario of a greater transition towards electrification of consumption, which would result in a long-term decline in the use of gas (natural gas, biomethane and hydrogen), is sensitive to uncertainty related to multiple demand and supply factors in the energy market, including: the timing of reaching grid parity between conventional sources and renewable energy; the development pathway of renewable gas production, particularly with reference to the potential volumes of biomethane and hydrogen, as well as their end uses; the incentive schemes for renewable fuels; the timing of infrastructure adaptation to renewable penetration scenarios and electrification of consumption, and the development and dissemination of technological solutions available for civil use. The effect of energy efficiency actions and the adoption of good consumption practices may not be sufficient to "respect" the drop in gas volumes forecast by these scenarios, and electrification would lead, in the long term, to an increase in the use of systems powered by electricity, rather than by natural gas / renewable gas. In this worst-case scenario, the long-term impact for the Group would be a decrease in the net activations of re-delivery points in the residential sector. The ultimate consequence would be a negative impact on the Group's revenues, given the current regulatory mechanism which, in Italy, provides for a component of revenues that is parametric and dependent on the number of PdRs managed.

Physical scenarios

Although the physical risks of climate change were not assessed as material, some elements relating to the physical scenarios considered in the risk assessment are set out below. The scenarios considered are the Representative Concentration Pathways (RCPs) 8.5 and 4.5 of the Intergovernmental Panel on Climate Change, both quantitative in nature, based on climate physics and defined according to the concentration of greenhouse gases in the atmosphere. The first scenario selected by Italgas is RCP 8.5, which represents the

worst-case IPCC scenario, characterised by extreme and potentially irreversible consequences for meteorological and climatic variables in the absence of emission reduction actions. In this context, the growth of emissions at current rates would lead to high levels of greenhouse gas concentrations, undermining efforts to combat global warming. Under this scenario, atmospheric CO₂ concentrations are assumed to triple or quadruple by 2100 (840-1120 ppm) compared with pre-industrial levels (280 ppm). This is a high energy intensity scenario in which total consumption continues to grow over the course of the century, exceeding current levels by more than three times. Secondly, Italgas considered the RCP 4.5 scenario, which does not provide for further mitigation commitments by States beyond those already adopted, except for the implementation of certain initiatives such as the use of new technologies and strategies to reduce greenhouse gas emissions. In this context, moderate transition interventions and a significant deterioration in the planet's physical parameters are expected. The RCP 4.5 scenario is defined as a "stabilisation" scenario, as it provides for CO₂ emissions to peak around the middle of the century and, by 2070, fall below current levels. By the end of the century, atmospheric concentrations will stabilise at around twice (520 ppm) pre-industrial levels. Overall, these scenarios provide for an increase in average temperatures ranging between 1.25° and 2.5°C in the period 2030-2050. This increase varies depending on the climate zones and involves changes in physical parameters, including in the areas where Italgas operates (Italy and Greece).

The main parameters and risks considered by Italgas in the assessment are as follows:

- i. **Increase in temperatures** (KPIs used for the scenario analysis: average temperature and heating degree days). The increase in temperatures leads to a reduction in heating degree days in the Group's areas of operation and, consequently, to an increase in the number of Municipalities classified in milder climate zones, with a consequent decrease in activations and increase in deactivations of re-delivery points. However, on the basis of the scenarios analysed in the literature, IPCC RCPs 8.5 and 4.5, no changes are expected in the short, medium or long term that would result in potentially significant negative effects for the Group.
- ii. **Increase in the frequency and intensity of extreme natural events** (Indicator: days with extreme precipitation). Among the effects expected under the IPCC 8.5 and 4.5 scenarios is an increase in the frequency of extremely intense natural events. In the areas where Italgas operates and in relation to the specific nature of the business, the natural events that in the past have caused damage to assets and/or additional costs have had an overall limited impact and have mainly been attributable to landslides, floods and tidal waves.

The results of the scenario and resilience analysis represented fundamental elements for the preparation of the Group's Strategic Plan. In particular, these analyses supported the forecasting of investments in infrastructure upgrades and innovation, including the repurposing and digitisation of gas networks, to facilitate the transition to green gases and reduce greenhouse gas emissions. The approach adopted enables the Group to position itself effectively along the transition path towards a low-carbon economy, capturing emerging opportunities while at the same time managing the risks associated with climate change and the evolution of the regulatory context⁶⁹. The impact significance analysis conducted by Italgas in 2024 and updated in 2025 identified the following positive and negative impacts related to climate change:

⁶⁹ It is specified that, regarding the economic-financial balance sheet data reported in the appropriate sections of the document, there are no considerations related to climate scenarios.

- **Contribution to climate change:** the extraction and processing of raw materials (e.g. steel) and of the components used by the Group, as well as the construction of infrastructure and devices, result in greenhouse gas emissions linked to the use of fossil fuels in the processes involved. The operational activities of the Italgas Group also generate greenhouse gas emissions, contributing negatively to climate change. In particular, fugitive methane emissions may occur in the operation and maintenance of the network. Finally, the emissions associated with the disposal phase of network assets (meters, smart meters, pipelines and components) derive from transport to treatment centres and from the operations of separation, recovery and disposal of materials.
- **Benefits deriving from network digitisation and energy efficiency upgrades by ESCo:** the Group is committed to repurposing and digitising its distribution networks to enable the future transmission of green gases such as biomethane, hydrogen and synthetic gases. In addition, through the ESCo Geoside, the Group offers energy efficiency services to reduce energy consumption and related third-party emissions, actively contributing to the fight against climate change. For 2025, the emissions avoided by the ESCo through EPC activities for industrial clients, public administration and residential clients amount to 13.0×10^3 tonnes of CO₂.

The identification of impacts is based on specific analyses conducted by the Group on the climate impact of its assets and business activities. With regard to the direct and indirect contribution to climate change, qualitative and quantitative information derived from the Group's Scope 1, Scope 2 and Scope 3 emissions inventory was used, supplemented by the screening of positive contributions and activities carried out to mitigate climate change. For a more detailed description of the impact assessment methodology, refer to DR ESRS 2 IRO-1. Risk considerations include the entire gas infrastructure, both upstream and downstream of the Group's activities. Regarding the physical risks and opportunities related to climate change, the analysis was based on the RCP 1.9, 4.5, and 8.5 climate scenarios. The physical parameters considered by the model are heating degree days and days with heavy precipitation.

Policies related to climate change mitigation and adaptation (E1-2, MDR-P)

For optimal management of the impacts, risks and opportunities related to climate change, the Group has adopted a Climate Change Policy⁷⁰ that outlines the Group's strategic response and is in line with the goal of the Paris Agreement. The Policy is structured on two pillars: mitigation and adaptation. Regarding climate change mitigation, it includes the Group's commitments to reducing fugitive emissions along the network and digitising the same network to accommodate green gases such as biomethane, hydrogen, and synthetic gases, improving energy efficiency, and sourcing energy from renewable sources. Adaptation initiatives relate to infrastructure optimisation, the use of predictive analytics and collaboration with local authorities to improve infrastructure resilience⁷¹.

⁷⁰ For further information see paragraph "Italgas Group Policies"

⁷¹ The Policy applies to all company activities, in every geographical area in which it operates, including relations with suppliers and partners, upstream and downstream in the value chain, to ensure sustainable management throughout the supply chain. Italgas actively involves its business partners, establishing specific guidelines and requirements to ensure that their practices are in line with the company's emission reduction targets.

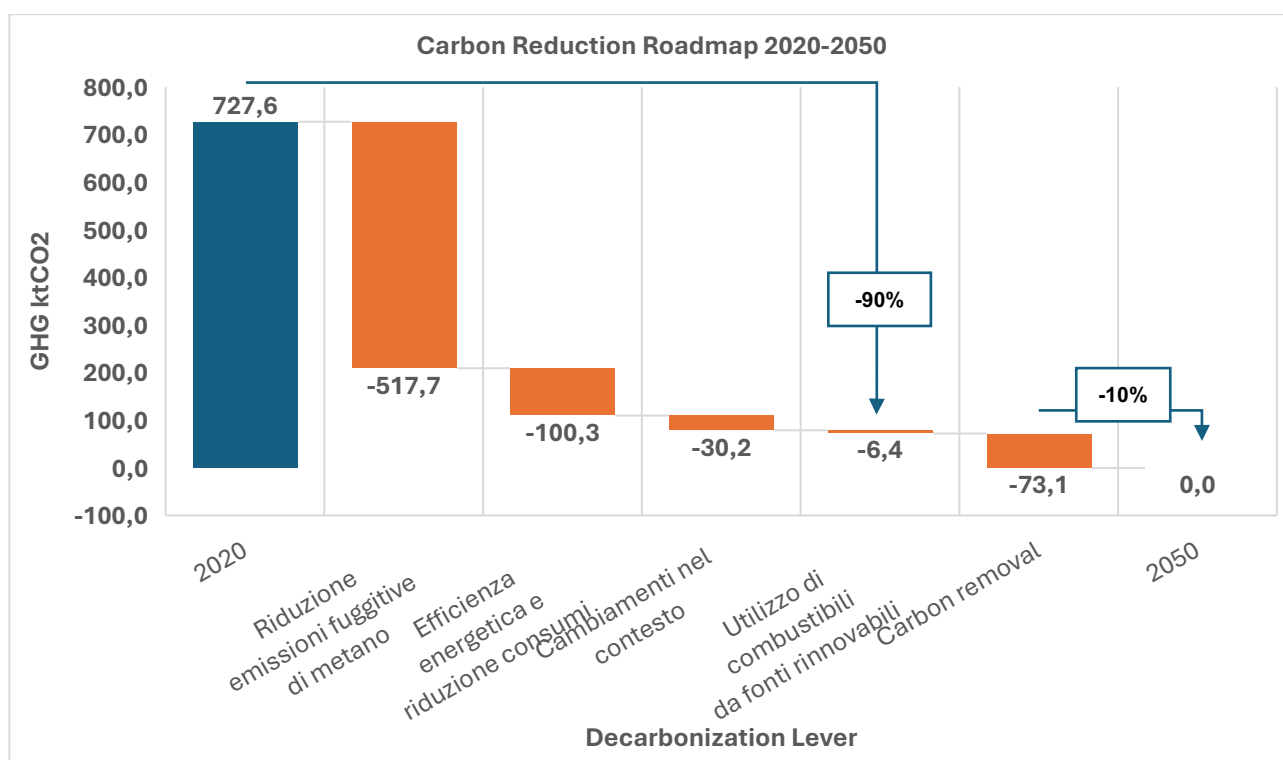
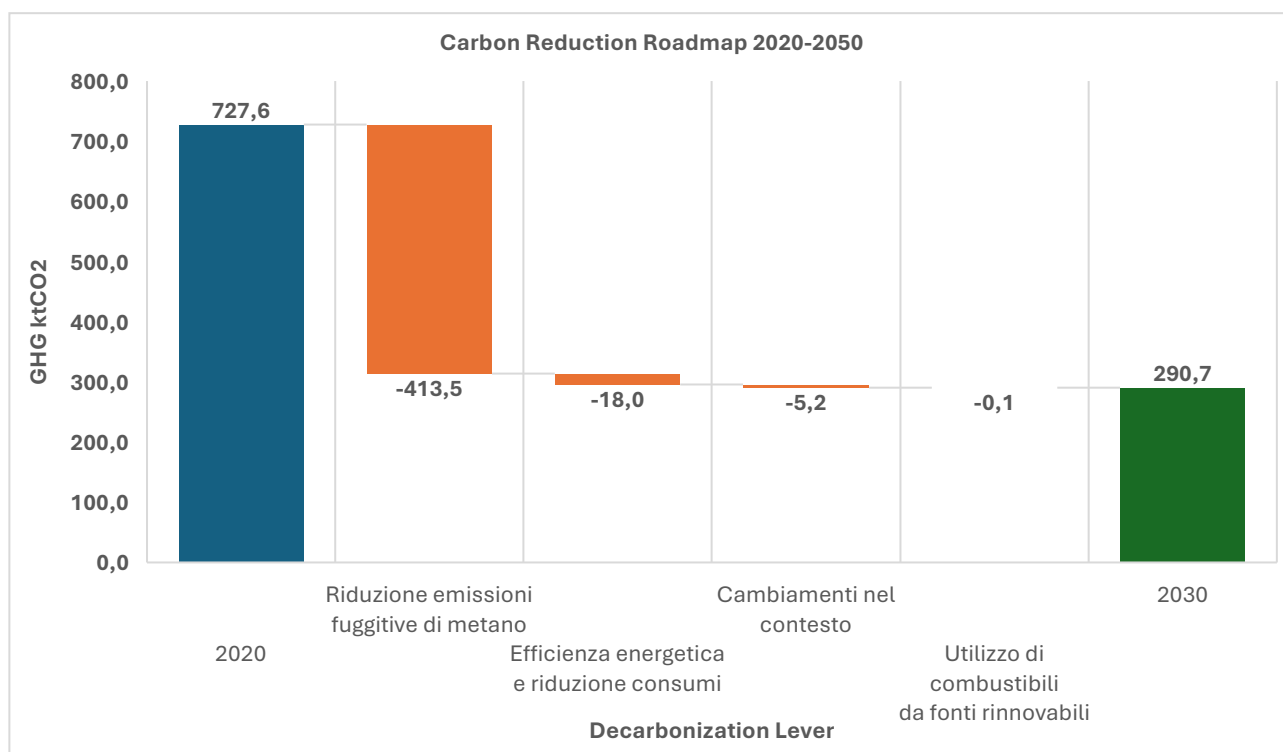
Actions and resources in relation to climate change policies (E1-3, MDR-A)

In detail, the actions implemented by the Group to actively contribute to climate change mitigation, reducing Scope 1 and 2 emissions related to the gas distribution sector and the water service by 2030 and 2050, are divided into the following decarbonisation levers.

Gas Distribution

Decarbonisation levers	Actions	Reference scopes	GHG reduction: -10 ³ tCO ₂ eq - % contribution of leverage reduction compared to the 2020 baseline (727.6 10 ³ tCO ₂ eq)		
			2025 ⁷²	2030 (Expected)	2050 (Expected)
Reduction of fugitive methane emissions (CapEx: 5.2 bln€ OpEx: 0.2 bln€)	- Leak detection and repair: implementation of tools for leak detection that enable their reduction and improve operational safety. - Network digitisation: real-time monitoring systems that enable green gases distribution and timely leak detection and repair. - AI-based predictive maintenance: algorithms that enable interventions for network regulation, reducing interruptions.	Scope 1 & Scope 2 market-based	-520.2 (-71.5%)	-413.5 (-56.8%)	-517.7 (-71.1%)
Energy efficiency and green electricity (CapEx: 1.3 bln€ OpEx: 0.6 bln€)	- Digitisation for remote monitoring: platforms that optimise network pressure and flow and allow the monitoring of plant operating parameters, reducing energy consumption - Building refurbishments that also involve the installation of monitoring and control systems - Purchase of certified renewable electricity through Guarantees of Origin			-18.0 (-2.5%)	-100.3 (-13.8%)
Contextual changes (CapEx: 1.9 bln€)	- Integration of green gases into the network, reducing the climate impact of losses and preheating consumption - Replacement of pipelines that are hydrogen-ready - Trend in volumes of gas distributed	Scope 1	- (-)	-5.2 (-0.7%)	-30.2 (-4.1%)
Use of fuels from renewable sources	- Decarbonisation of the fleet through the use of vehicles powered by hydrogen and biofuels - Decarbonisation of civil and industrial consumption: use of Guarantees of Origin linked to the adoption of renewable gases as fuels or the application of technologies for the partial electrification of consumption	Scope 1	- (-)	-0.1 (-)	-6.4 (-0.9%)
"Carbon removal" initiatives	Removal of CO ₂ through permanent technological solutions	Scope 1	- (-)	- (-)	-73.1 (-10.0%)

⁷² The data presented include the contribution of the former 2i Rete Gas scope starting from 1 April 2025.



Water service

Decarbonisation levers	Actions	Reference scopes	GHG reduction ⁷³ : -10 ³ tCO ₂ eq - % contribution of leverage reduction compared to the 2023 baseline (150.8 10 ³ tCO ₂ eq)		
			2025	2030 (Expected)	2050 (Expected)
Energy efficiency and green electricity	• Energy efficiency improvements in plants such as aqueduct and treatment facilities	Scope 1 & Scope 2 market-based	2.0 (1.3%)	-49.8 (-33%)	-135.7 (-90.0%)
	• Digitisation for district metering and remote monitoring: intelligent platforms for the optimisation of the network's operational and management parameters, with an impact on electricity consumption				
	• Purchase of certified renewable electricity through Guarantees of Origin				
Digitisation of the network and loss reduction	• Building energy renovations: complete energy renovations of civil business assets integrating the use of innovative monitoring and control systems				
	• Continuous monitoring of the network for smart maintenance activities and targeted infrastructure interventions				
Use of fuels from renewable sources	• Digitisation for district metering and remote monitoring: intelligent platforms for the optimisation of the network's operational and management parameters, contributing to loss reduction				
	• Fleet decarbonisation: shifting the fleet to hydrogen and biofuel powered vehicles, resulting in a reduction/zeroing of operational emissions				
	• Decarbonisation of civil and industrial consumption: use of guarantees of origin linked to the adoption of renewable gases (biomethane and hydrogen) as fuels				

The transition plans prepared for gas and water are based on the Group Strategic Plan 2025-2031, which also includes the Company's commitment in terms of CapEx and OpEx allocated to the investments and operating costs required to support the decarbonisation pathway, in line with the defined objectives.

The Plan provides for CapEx investments over the period 2025-2031 of approximately 15.7 billion euro in the gas distribution sector, with a focus on digital transformation and innovation, including amounts for the acquisition of additional networks from third parties. The following investments and operating costs relating to the decarbonisation levers are identified in the Plan: with regard to the decarbonisation lever "Reduction of fugitive methane emissions", the total investment planned amounts to 5.2 billion euro, while the associated operating costs amount to 0.2 billion euro.

With regard to the lever "Energy efficiency and green electricity", the total investment planned over the entire plan period amounts to 1.3 billion euro, compared with estimated operating costs of 0.6 billion euro. With regard to the lever "Contextual changes", the total investment planned over the entire plan period amounts to 1.9 billion euro.

In the water sector, total investments of 386.5 million euro are planned in order to achieve the objectives associated with the identified decarbonisation levers. For the 2025 financial year, these CapEx and OpEx items are reported under "Intangible assets" and "Total costs and other expenses".

⁷³ Target covering all companies operating in the water service, including those not fully consolidated.

Regarding the targets for reducing Scope 3 emissions – Supply Chain related to the gas distribution and water service businesses by 2030 and 2050, the relevant decarbonisation levers are presented below.

Decarbonisation lever	Actions	Reference scopes	GHG reduction ⁷⁴ : -10 ³ tCO ₂ eq - % contribution of leverage reduction compared to the 2024 baseline (309.0 10 ³ tCO ₂ eq)		
			2025 ⁷⁵	2030 (Expected)	2050 (Expected)
Involvement of suppliers	• Awareness-raising, engagement and training initiatives; inclusion of reward criteria in tenders for suppliers	Scope 3 – Supply chain	-45.9	-74.2	-278.1
Contextual changes	• Evolution of the context in line with the decarbonisation pathways of international and national industries		(-14.8%)	(-24.0%)	(-90.0%)

Targets related to climate change mitigation and adaptation (E1-4, MDR-T)

As indicated in DR E1-1, the climate targets cover the entire scope of the Group's activities and form part of the broader transition plan developed by Italgas.

The Group has defined even more ambitious objectives through digitisation, the increasingly efficient management of its operational assets, the development of new initiatives and the contribution of Geoside⁷⁶, also due to the variation in the scope of consolidation.

- New targets for 2030 (baseline 2020) have been defined for the gas distribution business⁷⁷: -35% in net energy consumption and -55% in Scope 1 and Scope 2 (market-based) greenhouse gas emissions. The latter will be achieved through a mix of actions that includes energy efficiency improvements, early leak detection and repair, and the adoption of smart maintenance to reduce fugitive emissions.
- For Scope 3 – Supply Chain⁷⁸ emissions, a new reduction target has been defined across the entire scope of the Group (including the water sector): -24% by 2030 compared with the 2024 baseline, to be achieved mainly through the intensification of actions and engagement with the Group's suppliers.
- For all companies operating in the water⁷⁹ sector, the targets of a 33% reduction by 2030 (baseline 2023) in net energy consumption and in Scope 1 and 2 (market-based) greenhouse gas emissions remain unchanged. These are to be achieved through a coordinated set of actions ranging from digitisation and the automation of networks and plants to loss reduction and continuous network monitoring for smart maintenance activities and targeted infrastructure interventions.

Finally, the Group aims to achieve “Net Zero Carbon” by 2050 for Scope 1, Scope 2 (market-based) and Scope 3 – Supply Chain emissions, through the progressive distribution of green gases and the launch of carbon removal initiatives starting from 2030.

⁷⁴ The data in the table refer to the scope of consolidation of the financial data as at 31 December 2025.

⁷⁵ The data presented include the contribution of the former 2i Rete Gas scope starting from 1 April 2025.

⁷⁶ All the reduction targets for Scope 1 and Scope 2 market-based emissions and Scope 3 – Supply Chain are aligned with the “1.5°C scenario”. The baselines related to the gas distribution business objectives have also been updated following the integration of 2i Rete Gas, using information publicly available in the company's consolidated sustainability reports.

⁷⁷ Selected as the target year as it is the first year of the full implementation of CRDS Picarro technology, a state-of-the-art system for the high-precision detection and quantification of fugitive emissions (the most significant source of emissions in the Italgas Group's carbon inventory).

⁷⁸ The previous target of a 33% reduction in Scope 3 – Supply Chain emissions by 2030 (baseline 2020) had already been achieved in 2024.

⁷⁹ The data reported in the table refer to the scope relating to the water business and therefore to the companies Acqua Campania, Nepta (Caserta), Acqualatina and Siciliacque.

Category and units	Target scope	Base year	Base year value	2030	2050	% progress (where applicable, including the contribution of 2i Rete Gas, consolidated for 9 months in 2025) ⁸⁰	Type of target	Average annual percentage reduction of emissions
Mkt-based Scope 1 & 2 [10 ³ tCO ₂ eq] ⁸¹	Gas distribution business	2020	727.6	-55%	-90%	-71.5%	Absolute	14.3%
		2024	440.0	-26%	-90%	-52.9%	Absolute	52.9%
Net energy consumption [TJ] ⁸²		2020	925.7	-35%	-	-42.8%	Absolute	8.6%
		2024	676.2	-11%	-	-21.8%	Absolute	21.8%
Mkt-based Scope 1 & 2 [10 ³ tCO ₂ eq]	Water service ⁸³	2023	150.8	-33%	-	+1.3%	Absolute	-0.6%
Net energy consumption [TJ] ⁸⁴		2023	1139.4	-33%	-	+10.6%	Absolute	-5.3
Scope 3 - Supply chain [10 ³ tCO ₂ eq] ⁸⁵	Water service and gas distribution business	2024	309.0	-24%	-90%	-14.8%	Absolute	14.8%

The targets were developed internally within the Italgas Group and no external stakeholders were directly involved in the validation process. As indicated in DR E1-1, the Group obtained confirmation of the alignment of its targets with the 1.5°C scenarios⁸⁶. These targets are aligned with the achievement of the general objectives set out in the Climate Change Policy.

Energy consumption and mix (E1-5)

The energy source used the most in the Group's activities is natural gas, in both civil and industrial uses, and for vehicles. The Group data presented include the contribution of Acqua Campania from 30 January 2024 and of 2i Rete Gas from 1 April 2025.

	Total scope				
	2024 (MWh)	2025 (MWh)	% Change	2024 (TJ)	2025 (TJ)
Total energy consumption ⁸⁷	219,207	284,673	29.9%	789.2	1,024.8
Total energy consumption from fossil fuels	203,373	253,459	26.5%	732.2	912.5
Fuel consumption from crude oil and petroleum products	12,361	28,194	128.1%	44.5	101.5
Fuel consumption from natural gas	81,381	95,933	17.9%	293.0	345.4
Consumption of electricity, heat, steam and cooling purchased or acquired from fossil sources	109,631	129,332	21.5%	394.7	465.6
Percentage of fossil sources in total energy consumption	93%	89%	- 3 p.p.	93%	89%
Total energy consumption from nuclear sources ⁸⁸	0	3,854	-	0	13.8
Total renewable energy consumption	15,834	27,360	72.8%	57.0	98.5
Consumption of electricity, heat, steam and cooling purchased or acquired from renewable sources	15,695	26,971	71.8%	56.5	97.1
Consumption of self-generated non-combustible renewable energy	139	389	180.0%	0.5	1.4

⁸⁰ If the contribution of the 2i Rete Gas assets for the first three months of 2025 are also considered (data outside the Group's consolidation scope), estimated through pro-rata adjustment, the percentages of progress towards the targets would be as follows: for net energy consumption, -37% (baseline 2020) and -13% (baseline 2024), and for Scope 1 and 2 (market-based) emissions, -67% (baseline 2020) and -46% (baseline 2024).

⁸¹ Base-year values recalculated based on data published by Italgas and 2i Rete Gas following the update of methane GWP.

⁸² This refers to total energy consumption, from which any self-produced electricity consumption is subtracted.

⁸³ The data reported in the table refer to the scope relating to the water business and therefore to the companies Acqua Campania, Nepta (Caserta), Acqualatina and Siciliacque.

⁸⁴ This refers to total energy consumption, from which any self-produced electricity consumption is subtracted.

⁸⁵ Base-year value calculated on the basis of a methodology different from that used for the Integrated Annual Report. See Section "Gross GHG emissions of Scope 1, 2, 3 and total GHG emissions (E1-6)" for methodological details.

⁸⁶ See section "Transition plan for climate change mitigation and Integration of sustainability-related performance in incentive schemes (E1-1, ESRS 2 GOV-3)" for further details.

⁸⁷ Total energy consumption would amount to 1,058.3 TJ (293,972 MWh) if the consumption of plants equipped with turbo-expanders were taken into account and the electricity output were excluded.

⁸⁸ Value not available in 2024, as it is included in the category "Consumption of electricity, heat, steam and cooling purchased or acquired from fossil sources".

Share of renewables in total energy consumption	7%	10%	+ 3 p.p.	7%	10%
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The 29.9% increase compared with 2024 (+235.6 TJ) derives from the consolidation of the consumption of the new assets of the former 2i Rete Gas scope starting from 1 April 2025 (+174.0 TJ), alongside a reduction in consumption in the gas distribution business on a like-for-like basis (-21.7 TJ) and, with regard to the water service business, an increase in absolute consumption (+83.3 TJ), deriving from a 6.6% increase in demand for the water resource and from a longer consolidation period for the consumption of Acqua Campania in 2025 (12 months compared with 11 in 2024). The additional demand for water supply from the Campania Region to Acqua Campania (acting as substitute aqueduct operator) derives from the drought conditions that occurred during 2025. As indicated above, for the same 2024 scope and for the gas distribution business only, the 2025 figure shows an improvement compared with the previous year, from 378.2 to 356.4 TJ (-5.8%).

	Like for like – Gas distribution ⁸⁹		
	2024 (TJ)	2025 (TJ)	% Change
Total energy consumption	378.2	356.4	-5.8%
Total energy consumption from fossil fuels	339.4	311.6	-8.2%
Fuel consumption from crude oil and petroleum products	42.3	56.4	33.3%
Fuel consumption from natural gas	292.8	250.6	-14.4%
Consumption of electricity, heat, steam and cooling purchased or acquired from fossil sources	4.3	4.6	7.0%
Percentage of fossil sources in total energy consumption	90%	87%	-3 p.p.
Total energy consumption from nuclear sources	0	0	-
Total renewable energy consumption	38.8	44.8	15.5%
Consumption of electricity, heat, steam and cooling purchased or acquired from renewable sources	38.3	43.4	13.3%
Consumption of self-generated non-combustible renewable energy	0.5	1.4	180.0%
Share of renewables in total energy consumption	10%	13%	+3 p.p.

In terms of energy consumption from fuels, industrial fuel consumption decreased due to further efficiency improvements in the Group's plant infrastructure, through the replacement of natural gas preheating boilers, the installation of optimisation systems for gas preheating sections and the digitisation of monitoring and regulation processes. Fuel and electricity consumption for civil use also decreased compared with 2024, as a result of the ongoing process of optimisation, innovation and “smart” management of the real estate assets. Finally, fuel energy consumption for transport also decreased, mainly due to the optimisation of the vehicle fleet and the digitisation of business processes (online quotations and the full adoption of Work-on-Site for site monitoring, as well as the use of DANA), which overall result in a significant reduction in field visits by operational staff.

Energy intensity	2025		
	Energy consumption	Net revenues from activities in high climate impact sectors ⁹⁰	Energy intensity
Unit of measurement	MWh	€ million	MWh/€ million

⁸⁹ Gas distribution business, excluding the former 2i Rete Gas scope.

⁹⁰ The denominator “Net revenues from activities in high climate impact sectors” is calculated as Total Revenues and other income (note 27 of the Consolidated Financial Statements) excluding the total value of Total revenues and other revenues and income from third parties in the energy efficiency sector (note 34 “Information by operating segment” of the Consolidated Financial Statement) as the company Geoside, due to the type of services provided, does not fall under the classification of high climate impact sectors as defined by the ERS standards. Energy intensity 2024 value is 87.9.

Total energy consumption from activities in high climate impact sectors (MWh) / Net revenues from activities in high climate impact sectors (gas distribution and water service activities – million euro)	284,673	3,498.8	81.4
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Gross Scopes 1, 2, 3 and Total GHG⁹¹ emissions (E1-6)

The data and information of section E1-6 and related to the Group's GHG emissions refer to the performance of the Italgas Group in the year ended 31 December 2025.

The Group data include the contribution of Acqua Campania from 30 January 2024 and of 2i Rete Gas from 1 April 2025.

GHG emissions (tCO ₂ eq)	Total scope		
	2024	2025	% Change
Gross GHG Scope 1 emissions	118,770	207,120 ⁹²	74.4%
Percentage of GHG Scope 1 emissions covered by regulated emissions trading schemes – ETS (%)	0%	0%	-
GHG Scope 2 emissions			
Gross GHG location-based Scope 2 (tCO ₂ eq) emissions	33,234	38,434	15.6%
Gross GHG market-based Scope 2 (tCO ₂ eq) emissions	54,850	58,663	7.0%
GHG market-based Scope 1 + Scope 2 emissions (tCO₂eq)	173,620	265,783	53.1%
Material Scope 3 GHG Emissions⁹³			
Total gross indirect GHG emissions (Scope 3) (tCO ₂ eq)	103,926	285,057	-
1. Goods and services purchased	39,394	93,128	-
2. Capital goods	41,451	158,560	-
3. Fuel and energy-related activities (not included in Scope 1 or 2)	15,546	20,120	29.4%
4. Upstream transport and distribution	639	5,500	-
5. Waste generated during processing	2,369	2,811	-
6. Business trips	2,007	1,793	-10.7%
8. Lease assets upstream	2,520	3,145	-
Total GHG emissions (location-based) (tCO₂eq)	255,930	530,611	-
Total GHG emissions (market-based) (tCO₂eq)	277,546	550,840	-

The 53.1% increase (equal to 92.2×10^3 tCO₂eq) in Scope 1 and Scope 2 market-based emissions compared with 2024 derives from the consolidation of emissions from the new assets of the former 2i Rete Gas scope starting from 1 April 2025 ($+92.8 \times 10^3$ tCO₂eq), alongside a reduction in emissions in the gas distribution business on a like-for-like basis (-4.5×10^3 tCO₂eq, i.e. from 119.2 to 114.7, corresponding to -3.8%) and, with regard to the water service business, an increase in emissions ($+3.9 \times 10^3$ tCO₂eq), deriving from increased water consumption due to drought conditions (see the previous paragraph) and from a longer consolidation period for Acqua Campania in 2025. The reduction in emissions in the gas distribution business on a like-for-like basis (therefore considering the companies consolidated in 2024) is the result of the reduction in fugitive emissions (-2.9%, from 100.8×10^3 tCO₂eq in 2024 to 97.9×10^3 in 2025), of emissions related to energy consumption

⁹¹ Greenhouse Gas, hereafter GHG. All GHG emissions are reported in line with the GHG Protocol. For the calculation of Scope 1 and 2 emissions, the latest available factors from ISPRA (for Italy, and for the sake of consistency also for Greece, given the greater similarity in gas supply characteristics) and AIB sources were used. The greenhouse gases considered are carbon dioxide (CO₂) and methane (CH₄), while others have been excluded as they are not relevant. For Scope 3 emissions, GHG categories 1, 2, 4, 5, and 8, the application of specific emission factors for Italy and Greece from the CEDA database for the spend-based methodology is planned.

⁹² Of which 182,970 tCO₂eq from fugitive methane emissions.

⁹³ Scope 3 – Supply Chain emissions for 2024 were calculated using a different methodology and scope (see the 2024 Integrated Annual Report) and are therefore not comparable with the 2025 figure. According to the methodological update, for 2025 emissions from categories 1, 2, 4, 5 and 8, considered as Scope 3 – Supply Chain, are obtained through the application of emission factors specific to Italy and Greece from the CEDA database v.2025 (allocation to S1, S2 and S3; spend-based methodology) and from those obtained directly from suppliers (supplier-specific methodology for S1 and S2 emissions); in the latter case the S3 share from CEDA factors has been added. For emissions relating to network and plant construction activities, a 35% reduction of the CEDA emission factor (for the Scope 3 share only) was applied, given the significance of labour compared with total expenditure. Moreover, for 2024 these categories did not include Acqua Campania, as it was not possible to apply the same calculation methodology in the absence of alignment of the product categories with those of the Group and consequently the correlation with the specific CEDA emission factors. By applying the average CEDA emission factor for the Italy scope, the estimated value for Acqua Campania for 2024, as reported in the Integrated Annual Report, amounted to 9.6% of the Group's Scope 3 – Supply Chain emissions. Finally, as in 2024, category 3 was calculated by applying DEFRA and IEA emission factors to the Group's consumption, and category 6 was calculated using data from the travel services provider, applying DEFRA emission factors. The remaining GHG categories are not reported as they are not relevant.

from fossil fuels for industrial, civil and fleet use (-8.4%, from 17.8 to 16.3), and of those related to electricity (-17.8%, from 0.57 to 0.47). The process performance indicator, namely the ratio of gas dispersed to kilometres of network investigated, decreased from 42.7 Sm³/km to 34.6 Sm³/km, with kilometres of network investigated increasing by 20.1% (153,583 km in 2025 compared with 127,903 in 2024). Lastly, the entity-specific KPI “gas leakage rate”, which represents the ratio between fugitive emissions of natural gas and the volumes of gas distributed, improved by 0.018 percentage points, from 0.069% to 0.051% (on a like-for-like basis), as a result of the use and adoption of advanced leak detection solutions⁹⁴. The reduction in fugitive emissions is the result of the Company’s continuous commitment to refining the processes and algorithms used for monitoring and quantifying emissions, in line with the new EU Methane Regulation. For the fifth consecutive year, Italgas maintained the prestigious “Gold Standard” status under OGMP 2.0. This recognition, awarded by the International Methane Emissions Observatory (IMEO) of the United Nations Environment Programme (UNEP), recognises the attainment of the highest reporting level (Level 5) and highlights the Company’s concrete commitment to sustainability and decarbonisation.

Below is the emission intensity value calculated as the ratio between “total GHG Scope 1, 2 and 3 emissions from activities in high climate impact sectors” and “Net revenues from activities in high climate impact sectors”.

Emission intensity	2025		
	GHG emissions	Net revenues from activities in high climate impact sectors ⁹⁵	Emission intensity
Unit of measurement	tCO ₂ eq	€ million	tCO ₂ eq/€ million
Total GHG Scope 1, 2 and 3 emissions from activities in high climate impact sectors (tCO ₂ eq) / Net revenues from activities in high climate impact sectors (million euro)	550,840	3,498.8	157.4

For operationally controlled companies Siciliacque and Acqualatina, finally, Scope 1 and 2⁹⁶ emissions data are presented.

GHG emissions	2024	2025
Gross GHG Scope 1 (tCO ₂ eq) emissions	1,505	1,046
Gross GHG market-based Scope 2 (tCO ₂ eq) emissions	105,714	93,365
Gross GHG location-based Scope 2 (tCO ₂ eq) emissions	57,913	49,744

GHG removals and GHG mitigation projects financed through carbon credits (E1-7)

In 2025, the Italgas Group did not develop or contribute to climate change mitigation projects involving the removal or storage of GHG emissions, nor did it purchase carbon credits. However, Italgas is continuously researching innovative solutions and technologies for carbon storage. With a view to “Net Zero Carbon” target at 2050, the Group has expressed its willingness to implement carbon removal initiatives, including the purchase of carbon credits, for residual emissions (around 10% of the baseline value) from 2030 onwards.

⁹⁴Already in 2018, Italgas introduced Picarro Surveyor, the most cutting-edge technology available in the field of network monitoring and gas leak detection based on CRDS (Cavity Ring-Down Spectroscopy) technology, that, compared to traditional technologies, offers significant advantages in terms of speed of action, sensitivity of detection and size of the areas that can be inspected.

⁹⁵ The denominator “Net revenues from activities in high climate impact sectors” is calculated as Total Revenues and other income (note 27 of the Consolidated Financial Statements) excluding the total value of Total revenues and other revenues and income from third parties in the energy efficiency sector (note 34 “Information by operating segment” of the Consolidated Financial Statement) as the company Geoside, due to the type of services provided, does not fall under the classification of high climate impact sectors as defined by the ERS standards. Emission intensity 2024 value is 111.3.

⁹⁶ The data refers to 100% of the Scope 1 and 2 emissions of the Companies.

Internal carbon pricing (E1-8)

Although none of Italgas' operations are subject to the EU ETS system, the Group has integrated an internal notional carbon price into its planning process, which quantifies potential risks from regulatory changes and other climate change impacts. This notional price applies to the entire Group and its activities, supporting low-carbon investments, stress-testing investments, identifying low-carbon investment opportunities and promoting energy efficiency. Carbon pricing helps to assign a value to expected CO₂ reductions and compare the economic value generated against the costs of the initiative. Its use influences decision-making and supports specific projects aligned with CO₂ reduction targets. The value of the carbon price used internally refers to carbon credit markets (including, for example, those for CORC credits, which had an indicative reference value of around 120 €/tCO₂eq also in 2025)⁹⁷.

ESRS E5 – Resource use and circular economy

Description of the processes to identify and assess material resource use and circular economy-related impacts, risks and opportunities (ESRS 2 IRO-1 ESRS E5)

The process of identifying impacts, risks and opportunities is part of the broader process of double materiality (ESRS 2 – IRO 1) as required by the CSRD.

Impacts related to waste production were identified at different stages of the value chain.

With reference to direct operations, waste management is mainly related to smart meters and the associated recovery and disposal of materials such as metals, plastics and WEEE (for details of the waste produced, see E5-5 38a). The analysis showed that upstream activities, such as the extraction and processing of materials used for steel and polyethylene pipelines, may potentially generate mining waste and hazardous waste such as solvents and chemical residues, requiring appropriate management to avoid environmental and health risks. Pipe laying and maintenance activities carried out by contractors produce waste, including excavated soil and solvents which, if not properly managed, could become a source of contamination.

The Group encourages the recovery of waste, not only directly but also from its contractors, in order to favour an increasingly circular and sustainable approach.

Two negative impacts have been identified in relation to the circular economy: the use of non-renewable resources along the value chain and the distribution of smart meters characterised by the use of non-renewable materials and limited circularity. To address these impacts, the Group continues to develop circular economy projects and has established a cross-functional working group dedicated to researching and implementing possible applications, initiating participatory initiatives, and scouting and collecting innovative ideas from partners and suppliers.

Within inbound resource flows, products and materials are monitored through the direct and indirect purchases of its contractors; with reference to outbound resources, in addition to waste management, Italgas considers

⁹⁷ It is specified that, with regard to the economic-financial balance sheet data reported in the relevant sections of the document, there are no considerations related to the carbon price.

the Nimbus smart meter, developed in line with ecodesign approaches aimed at reducing environmental impacts throughout the life cycle, to be its own product, as described in the following sections.

Policies related to resource use and circular economy (E5-1, MDR – P)

The Group's Policy on Health and Safety, Environment, Quality and Energy (HSEQE Policy) provides for the adoption of an integrated management system for quality, occupational health and safety, environment and energy, in compliance with the relevant regulations, the national collective labour agreement and the relevant international standards⁹⁸.

The IROs relating to waste management and the circular economy are governed by this Policy, which also contains specific guidance on the waste hierarchy, the reduction in the use of virgin materials in its activities in favour of recycled and environmentally sustainable materials, the promotion of reuse and the efficient use of water resources.

Through this Policy, Italgas applies the fundamental principles referred to by the United Nations Global Compact and the Oil and Gas Methane Partnership 2.0 (OGMP 2.0), the flagship initiative for the oil and gas sector of the United Nations Environment Programme.

Actions and resources related to resource use (E5-2, MDR – A, MDR – M)

The correct management of waste and the related supply chains allows for maximum yield in terms of recycling and/or treatment. In a circular economy perspective, this means maximising the extension of the life cycle of products while at the same time minimising waste.

The scope of waste management activities includes all companies included in the scope of consolidation.

The action plan and the monitoring of indicators relating to waste management, including the percentage of waste sent for recovery (defined as the quantity of waste recovered divided by the quantity of waste produced, both by the Group and by its contractors), are reported on a monthly basis and discussed during the Sustainability Business Reviews with the Group's Chief Executive Officer and the Chief Executive Officers of the subsidiaries.

The future financial resources allocated for the management of the matter and the achievement of the objectives amount to approximately 5.7 million euro for the 2026-2031 period⁹⁹. In 2025, more than 950 thousand euro were spent on dedicated personnel and to cover contracts for the disposal of waste produced by the Group.

These OpEx are indicated in Note 28 "Total costs and other expenses" of the Consolidated Financial Statements.

Targets related to resource use (E5-3, MDR – T)

The Group has defined targets for waste recovery, based on direct activities and the involvement of its suppliers, in line with the strategy outlined in the Sustainable Value Creation Plan.

TARGET	Target scope	Target	Target year	Progress (2024)		Progress (2025)	
				%	Absolute value (tonne)	%	Absolute value (tonne)

⁹⁸ For further information see paragraph "Italgas Group Policies"

⁹⁹ The estimated amount for subsequent years is based on current conditions (operating prices) and the scope of consolidation as at 31 December 2025 and takes into account the personnel cost.

Waste recovery percentage ¹⁰⁰ for the Italgas Group and its contractors	Group ¹⁰¹	96-99%	Annual target	96.5	691,254.1	97.0 ¹⁰²	792,635.0
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Data on waste produced by the Group and by its contractors are collected through dedicated management systems, also provided to the contractors themselves, or, where these are not available, through reporting based on traceability documents.

Actions and resources in relation to circular economy (E5-2, MDR – A, MDR-M)

The Nimbus project

A virtuous example of how the Group promotes the circular economy concerns the development of the Nimbus meter, launched at the end of 2023, field-tested in 2024 with the installation of 20,000 units (prototypes or pre-series) and whose series production began in September 2025. Designed to be compatible with hydrogen blends (up to 23%) and to improve performance and ensure safety. Nimbus was developed in accordance with eco-design principles, through the use of recycled materials and the modular design of components, which facilitates repair and extends the product's life.

The series version of the Nimbus meter is characterised by the use of recycled plastic materials equal to 60%.

In 2025, investments and costs were incurred relating to technical and product development activities, including the design, engineering and prototyping of innovative solutions, the purchase of laboratory equipment and the performance of tests on Nimbus carried out in collaboration with companies and universities. In relation to the expected technological developments for the meter, further development activities and associated investments are also planned in the years following 2025. To achieve more than 6 million Nimbus meters installed by 2031, as provided for in the Plan, investments and costs for the development and installation of the devices amounting to approximately 610 million euro are planned in the period 2026-2031.

Actions and resources in relation to circular economy (E5-2, MDR – A)

Other initiatives relating to the circular economy

In line with the four key principles of the circular economy: eco-efficiency, reuse, recovery, recyclability, the Group has set itself the goal of rethinking business processes and the materials used, either replacing them or integrating them with more sustainable alternatives. In collaboration with strategic suppliers, synergies and good practices have been developed, such as the "Green Site" project and the "Single Material" initiative, aimed at optimising the management of backfilling materials at sites, simplifying logistics and reducing costs and emissions. Further circular economy actions include the reuse of excavated earth and rocks, facilitated by specific environmental clauses in contracts, and the PPE digitisation project, which integrates the traceability of devices with a supply chain for the recovery and reuse of decommissioned materials.

Targets related to circular economy (E5-3, MDR – T)

¹⁰⁰ For the definition of "waste sent for recovery," reference should be made to what is stated in Directive 2008/98/EC.

¹⁰¹ The targets refer to the scope of the consolidated Group companies as at 31 December 2025 and its contractors.

¹⁰² Waste managed by the contractors of former 2i Rete Gas for the period April-June 2025 are excluded.

For the promotion of the circular economy and the use of recycled materials, the Group has set a target for the adoption Nimbus.

TARGET	Target scope	Base year	Target	Target year	Progress (2024)		Progress (2025)	
					%	Absolute value	%	Absolute value
Over 6 million Nimbus smart meters installed, designed according to Design for Environment criteria, between now and 2030.	Group ¹⁰³	2025	6 millions	2030	n.a. (the project started in 2025)		0.8%	49,399

The target is defined on the basis of the number of meters to be replaced due to product obsolescence and communication technologies (GPRS) and is of a voluntary nature.

Resource inflows (E5-4)

For 2025, resource inflows were analysed by analysing the main volumes of products (including packaging) and materials used for the Group's operations.

Data were collected from the management systems used for both direct material purchases and materials purchased by contractors for the execution of works, based on the procurement model among the various companies¹⁰⁴. For these products, the weight was calculated and the materials were divided into categories (metals, plastics, electronic materials, other).

Total material inputs amount to 8,139 tonnes, consisting of metals (53%, mainly steel structures and pipelines, followed by aluminium structures), plastics (42%, mainly polyethylene pipes) and, to a residual extent, electronic materials (3%, batteries, printed circuit boards, displays) and other materials (2%, wood and packaging paper). In addition, 37 tonnes of recycled plastic¹⁰⁵ were used in the approximately 90,000 Nimbus meters delivered in 2025 (approximately 1% of the total weight of plastic purchased), a figure that confirms the positive trend (0.2% in 2024) and the Group's intention to give increasing weight to the use of Second Life Plastic as a raw material for purchased products.

Resource outflows (E5-5)

Products and materials

The Nimbus smart meter constitutes the only product owned by the Group.

Its small size reduces the logistical impact, simplifying warehouse storage, transport and installation in the field. The useful life of Nimbus is estimated to be more than 50% longer than that of the meters currently installed by Italgas and it has been designed and developed with a target mean time to failure of 19 years, significantly higher than the useful life of 15 years defined by the applicable standards.

¹⁰³ The target refers to the scope of the Group companies consolidated as of 31 December 2025.

¹⁰⁴ The analysis considered 80% of the main categories of material representing approximately 91% of the value purchased during the reporting period.

¹⁰⁵ Based on the product datasheet provided by the manufacturer.

The modular design features an area dedicated to metrology and another dedicated mainly to communication functions, facilitating simpler and more sustainable management of product disposal operations.

Resource outflows (E5-5)

Waste

In 2025, waste from the Group's activities amounted to 994.8 tonnes. Hazardous waste amounted to 11.3 tonnes and non-hazardous waste amounted to 983.5 tonnes (which accounts for 98.9% of the waste produced).

The total value of waste sent for recovery or disposal amounts to 1010.3 tonnes (the value exceeds the figure for total waste produced as it includes the 2024 stock managed during 2025), mainly composed of electronic meters, which are the subject of the massive replacement campaign. 984.8 tonnes¹⁰⁶ or 97.5% of the waste produced by the Group were managed for recovery and 25.5 tonnes for disposal.

	2024		2025	
	Hazardous (tonne)	Non-hazardous (tonne)	Hazardous (tonne)	Non-hazardous (tonne)
Incineration	0.0	0.0	0.0	0.0
Landfill disposal	0.0	4.9	0.0	0.5
Other disposal activities	6.3	1.4	0.7	24.3

Non-recycled waste	2024		2025	
	%	Absolute value (tonne)	%	Absolute value (tonne)
	1.6%	12.6	2.5	25.5

The data reported are actual data (and not estimated) extracted on the basis of traceability documents. The main types of waste produced include decommissioned equipment, including meters (approximately 85% within the Italian scope), paper, iron and steel, and mixed metals. There is no radioactive waste. Waste disposal is the last option in the waste hierarchy; this activity is only necessary and mandatory when the waste characterisation shows no possibility of recovery (due to the nature of the waste).

Starting from 2024, Italgas signed a cooperation agreement with the WEEE Coordination Centre, the central body responsible for optimising the collection, withdrawal and management of WEEE at national level. The initiative enables Italgas to benefit from the WEEE collection service provided by the collective systems belonging to the WEEE Coordination Centre and to dispose of approximately 200,000 meters that are replaced on average each year, along with the recovery and recycling of the main components and materials. The agreement generates benefits across the entire value chain, ensures the traceability and proper treatment of waste flows and contributes to preventing their dispersion. Thanks to this initiative, in 2025 the consortium collected 132,356 smart meters managed directly by the Group, corresponding to approximately 265 tonnes, and 208,870 smart meters (approximately 418 tonnes) managed by contractor companies.

Water losses

Policies adopted to manage material sustainability matters (MDR-P)

Through its water service management policy, the company has reaffirmed its commitment to integrating the challenges and opportunities associated with water management into its business strategy, leveraging the skills it has developed for the innovation and digitisation of the gas distribution infrastructure.

¹⁰⁶ Of which 10.1 tonnes are classified as hazardous waste and the remaining 974.7 tonnes as non-hazardous waste; all waste sent for recovery was managed through methods other than reuse and recycling (other recovery operations).

The Group places key importance on the resilience of its water service infrastructures, to ensure the continuity and sustainability of its activities, including in response to climate change. The impacts, risks and opportunities associated with integrated water management are constantly analysed and monitored to address any threats that could compromise the integrity of the infrastructure and water quality.

The Group's commitment to the responsible management of water resources is supported by:

- investments aimed at upgrading, replacing and/or adapting deteriorated networks and water service systems, districtisation, continuous monitoring and proactive maintenance interventions in order to reduce water losses and potential failures, as well as to improve the quality of service;
- implementation of actions aimed at guaranteeing continuous improvement of the quality of the water distributed and purified with the aim of complying with and exceeding the quality standards set by current national legislation, to protect public health and the environment through a sampling and analysis plan, including continuous analysis;
- digitisation to enable the remote management of plants and the network, allowing not only the improvement of the service offered, but also the collection of data in real time to prioritise future interventions.

Actions and resources in relation to material sustainability matters, Metrics in relation to material sustainability matters, Tracking effectiveness of policies and actions through targets (MDR-A, MDR-M, MDR-T)

The Italgas Group operates in the water sector through Nepta SpA. In particular, the reporting boundary includes the management of 5 municipalities in the province of Caserta serving over 29,000 end users and Acqua Campania¹⁰⁷ which, through the Western Campania Aqueduct, indirectly serves around 3 million inhabitants. The two companies operate respectively as distributor and wholesaler in the water service.

Within the timeframe of the 2025-2031 Strategic Plan, the Group has planned specific actions to improve operational efficiency and achieve the company targets for reducing water losses.

In particular, for the companies included in the report, the following interventions are envisaged:

- the massive replacement of pipes and connections, to modernise the network and improve its resilience;
- the digitisation and automation of 100% of the network and systems, essential for optimising management and collecting data in real time, including through the installation of smart meters for measurement and billing processes;
- the implementation of remote control for all signals coming from the instruments in the field, which will be connected to an advanced control system for remote process management;
- the creation of a centralised control room, equipped with advanced technologies such as leak detection using artificial intelligence, smart maintenance and data analysis, to improve monitoring and reduce inefficiencies.

The actions completed by Nepta during 2025 are as follows:

- the installation of hydraulic valves for the optimal management of pressure in the network, supported by the presence of sensors that can be monitored remotely and continuously;

¹⁰⁷Company acquired as of 30 January 2024.

- the large-scale replacement of the customer meter fleet with latest-generation smart meters, reaching 85% of active users;
- the launch of leak detection projects using noise logger technology and efficiency improvements in the districts implemented, as well as the surveying and digitisation of the entire network under management.

In addition, for Acqua Campania, the installation of devices for the remote control of the flow rates supplied to wholesale customers was completed in 2025, as well as additional in-line flow meters to expand the districting of the managed water network.

To fulfil the commitment outlined in the Water Resource Management Policy, the Group has adopted challenging medium and long-term targets aimed at gradually reducing water losses along its network starting from 2023 (base year) in accordance with the 2025-2031 Strategic Plan. The targets are applicable to all water companies of the Italgas Group (including Siciliacque and Acqualatina) separated by distribution and transport¹⁰⁸ sectors.

In particular, for the sole Companies within the reporting scope of the Consolidated Sustainability Report, in line with the above Group targets, a reduction in water losses (M1b)¹⁰⁹ is expected from 2.9% in 2023 to 2.0% in 2027 for Acqua Campania and from 62% in 2023 to 29% in 2031 for Nepta.

The 2025 performance records water losses of 2.6% for Acqua Campania, in line with the data for the previous year, and 61.5% for Nepta (60.4% in 2024).

The Strategic Plan for Acqua Campania foresees around 8.2 million euros in the period between 2025 and 2027 and for Nepta around 45.6 million euro in the period between 2025 and 2031. In particular, for 2025 investments strictly dedicated to the reduction of water losses at Acqua Campania and to extraordinary maintenance amounted to 2.5 million euro; at Nepta approximately 2 million euro of CapEx were carried out for the reduction of losses on the network managed by the company. The CapEx aimed at reducing water losses are indicated in this document in Note 13 “Property, plant and equipment” and Note 14 “Intangible assets” of the Consolidated Financial Statements.

7.3 Social information

S1 – Own workforce

Interests and views of stakeholders (ESRS 2 SBM-2)

The Italgas Group places the utmost importance on the interests, rights and opinions of its workforce, considering them fundamental elements in the development of company strategy and business model. This commitment is realised with the formalisation and updating of internal policies and the Code of Ethics, in line with the OECD (Organisation for Economic Cooperation and Development Convention) guidelines and with the aim of promoting respect for and protection of human rights. The company is committed to guaranteeing equal opportunities, ensuring conditions of health and safety at work and fostering an inclusive and respectful environment.

¹⁰⁸ For the water sector, the Group has set specific targets to reduce water losses to 6% in transportation and 30% in distribution by 2030 compared to the baseline 2023. Baseline 2023 for transportation (Siciliacque): 16.5%, for distribution (Acqualatina and Nepta): 73.7% (aggregated through the weighted average of losses). The targets were developed internally within the Italgas Group and no external stakeholders were involved in the validation process.

¹⁰⁹ In accordance with ARERA regulations, water losses are measured using the M1b indicator (%), defined as the ratio between the volume of total water losses and the total volume entering the aqueduct system in the year in question. The billed volumes, used for calculating total water losses, are partially subject to estimation as required by ARERA.

The Group regularly conducts climate surveys, involving the entire personnel to give employees a voice and encourage continuous improvement. The findings are shared both with Company leadership, to identify areas of excellence and opportunities for improvement, and with the entire personnel. This active listening approach allows for specific and targeted actions to be implemented to improve the well-being and satisfaction of employees, incorporating their opinions and needs into the Company's decision-making process.

The description of employees and non-employees involved is represented in the analysis of individual impacts (ESRS 2 - SBM 3).

Material impacts, risks and opportunities and their interaction with strategy and business model (ESRS 2 SBM-3)

Italgas acknowledges that the actual and potential impacts on its workers, reported below, are closely connected to its strategy and business model. Although the probability of episodes of non-compliance with human rights, diversity and equal opportunities is extremely low, the occurrence of isolated events that could compromise these principles cannot be completely ruled out.

Negative Impacts

Failure to respect the human rights of its own workforce

The Group's direct activities could potentially expose its workforce to possible human rights violations related to practices that do not comply with international standards on working conditions and hours, occupational safety, adequate wages, freedom of association, collective bargaining and social dialogue, as well as forced and child labour.

Italgas, operating in Italy and Greece, operates in contexts that are highly regulated from a regulatory point of view with regard to the respect of the human rights of workers. As will be explained below, the workers are protected by national collective bargaining, which determines working conditions in terms of pay, working hours, holidays and leave, etc., by agreement between the company and the trade unions, and by supplementary measures aimed at promoting the welfare and development of the employee. Italgas has also implemented an internal compliance system that allows for the verification of compliance with current regulations as well as internal procedures.

Type of workers involved: all workers, including those working on a temporary basis or as collaborators. None of the activities carried out are exposed to the risk of forced or child labour in any of the geographical areas in which the Group operates. Even in the case of recruitment with a professional apprenticeship contract, the selection process requires the person to be of legal age.

Failure to respect diversity and equal opportunities in the workforce

The organisational and operational dynamics of the Group's direct activities could negatively affect diversity and equal opportunities in the workforce, limiting the inclusion of diverse profiles, the enhancement of individual skills and the full professional development of all workers. These impacts could result from the Group's organisational structure and operational needs.

Types of workers involved: technical and operational roles, vulnerable workers such as people with disability/frail persons or people on long-term leave.

Failure to protect the health and safety of employees

Direct Group operations could involve risks for the health and safety of workers. The use of complex equipment and potentially dangerous machinery, if not adequately managed through protective devices, specific training and safety protocols, could expose employees to the risk of serious or life-threatening accidents. The impacts strictly related to the operational nature of the Group's business mainly concern risks associated with driving operational vehicles, risks associated with gas commissioning and use (fire and explosion), risks of working near excavations (falling into excavations), working in confined spaces or at height, and lifting operations.

Types of workers involved: specialised workers who carry out activities in the field.

With regard to the inadequate health and safety protection of employees, the events that occurred in 2025 are mostly attributable to:

- carrying out activities that are considered by the Group to be “high risk” (e.g. vehicle handling, lifting operations, excavation work),
- events that took place while the employee was driving a company vehicle,

while a small number concern situations that occurred during the work process, therefore relating to individual episodes. All events were subjected to systemic analyses in order to identify the causes and define corrective actions that were promptly activated to avoid the recurrence of similar accidents.

Positive impacts

Contribution to employee welfare through the implementation of welfare initiatives and measures

The Group implements welfare measures aimed at the wellbeing of its employees, values work-life balance and promotes an inclusive and welcoming work environment.

Types of workers involved: all employees and their families.

In identifying the impacts on workers, the Group identifies the types of people who could be most impacted due to specific personal characteristics. In particular, people who are care-dependent, people with disabilities, parents or frail individuals, people belonging to ethnic and cultural minorities who may be more susceptible to significant impacts.

Increasing the professionalism and preparedness of employees through upskilling and reskilling

Training at Italgas is closely linked to the company strategy and contributes to the achievement of its strategic objectives. Training is an essential tool for promoting the adoption and integration of innovative technologies, particularly those related to Artificial Intelligence, supporting the Company's digital transformation process. Employees are made aware of the importance of environmental and social sustainability, and the adoption of operating practices that reduce environmental impact is encouraged, thus strengthening the Group's commitment to a responsible and sustainable energy transition.

Training activities are pivotal in the integration of newly acquired companies, as they ensure a cultural and professional alignment with Italgas' business model, based on efficiency, innovation and a results-oriented approach. This approach contributes to creating a safer, more inclusive and stimulating work environment, capable of attracting and retaining the best talent.

Types of workers involved: all employees.

There are no significant financial risks and/or opportunities for the Group arising from the impacts and dependencies in terms of its internal workforce.

The Group's energy transition strategy may have potential negative impacts due to the possible inadequacy of the workforce's skills as a result of the evolution of the business model with the introduction of green gases and other new or different operational processes (for example, as a result of their digitisation). The Group is proactively managing these risks by developing reskilling and upskilling programmes to equip its workforce with the skills needed.

Policies related to own workforce (S1-1, MDR-P)

The Group oversees the material impacts, risks and opportunities relating to its own workforce through a structured system of corporate policies, including the Human Rights Policy, the Labour Rights and Employment Practices Policy, the Diversity, Gender Equality and Inclusion Policy, the HSEQE Policy (Health, Safety, Environment, Quality, Energy Efficiency) and the Code of Ethics (see DR G1-1 and G1-3).

The Group's Policies are developed in accordance with the Ten Principles of the United Nations Global Compact and the UN Guiding Principles on Business and Human Rights and form part of the framework of the Universal Declaration of Human Rights, the ILO fundamental Conventions and the OECD Guidelines for Multinational Enterprises.

The **Human Rights Policy** promotes respect for fundamental rights, ensuring safe employment, fair working conditions, working hours compliant with regulations, adequate wages, health and safety, social dialogue, freedom of association, the existence of company committees and workers' rights to information, consultation and participation, as well as collective bargaining and work-life balance. The Policy prohibits child labour, forced labour and human trafficking.

The **Labour Rights and Employment Practices Policy** strengthens oversight of employment conditions by regulating pay equity, working hours, health and safety, non-discrimination, freedom of association and the prevention of all forms of abuse or exploitation.

The **Diversity, Gender Equality, Inclusion, Prevention of Discrimination and Protection of the Dignity of Group Personnel Policy**, issued in coordination with the Steering Committee for UNI PDR 125/2022 Certification, promotes equal treatment and equal opportunities for all, gender equality and equal pay for work of equal value, diversity and inclusion. The Policy provides for positive actions in favour of vulnerable categories of workers, including people with disabilities, workers belonging to minorities, older workers, young people, people in situations of vulnerability and other groups potentially exposed to discrimination, while also supporting training and skills development and measures against violence and harassment in the workplace.

The **HSEQE Policy** ensures safe and healthy working environments through the prevention of accidents, the reduction of occupational risks, continuous training and the monitoring of health and safety performance.

The implementation of the policies is supported by operational procedures, periodic audits, self-assessments and anonymous reporting mechanisms that ensure remedial measures in the event of negative impacts on human rights and incidents of discrimination such as harassment, violence and mobbing.

Processes for engaging with own workforce and workers' representatives about impacts (S1-2)

Involvement of workers and their representatives takes place through dialogue with trade unions and workers' representatives as provided for in the Industrial Relations Protocol.

In 2025, the Italgas Group guaranteed structured involvement of the Trade Unions through various phases of the decision-making process, both in Italy and in Greece and during the acquisition and merger process with 2i Rete Gas. The type of involvement includes consultations, negotiations dialogue developed within joint company institutions (e.g. IPA - Joint Company Institution - for Remote Working and Training). Attendance was high, with 128 meetings in Italy (50 at national level and 78 at local level) and 7 in Greece, demonstrating a constant and broad-based commitment to the participation of workers' representatives.

A meeting between the General Secretariats of the Trade Unions and the CEO and the Head of People Innovation & Technology is scheduled once a year, according to the topics to be discussed.

The establishment of joint bodies and the setting up of the RSU Coordination Committee promotes continuous dialogue, allowing the Group to directly collect the concerns of employees and transform them into concrete actions. In 2025, the discussion was also cemented on issues relating to health and safety at work with the members of the RLS Coordination Committee.

The trade union agreements signed are not just formal instruments, but genuine drivers of change that allow Italgas to maintain a respectful and inclusive work environment that is attentive to the perspectives of its employees, while reinforcing social dialogue as a fundamental value of the Group.

Particular attention is also paid to the identification of any vulnerable groups. For example, caregivers (new parents or employees who assist elderly parents or family members with disabilities or children with special learning needs), people with health problems, protected categories, victims of gender-based violence, employees with a proven history of drug or alcohol addiction, and foreign workers who are not EU citizens.

Processes to remediate negative impacts and channels for own workforce to raise concerns (S1-3)

The Group adopts a responsible approach in the management of remedies for any significant negative impacts on its employees caused or contributed to by the Group. The remediation process includes impact assessment, dialogue with the affected workers, the definition of corrective actions and, where appropriate, the possible involvement of trade unions. These activities are aimed at ensuring that the measures adopted effectively respond to the needs of the affected workers.

The Group has implemented a Whistleblowing Procedure that allows its workers to directly raise concerns or needs related to alleged irregularities through the whistleblowing channel: for example, working conditions, discrimination, violation of human rights, safety. In the case of reports, appropriate corrective actions are taken, which may include management interventions or disciplinary measures against the employees involved. For a full explanation of the channel, please refer to DR G1-1.

Italgas promotes awareness about the whistleblowing channel by making mandatory online courses available to all Group employees on Whistleblowing regulations and how to confidentially report any illegal or unethical behaviour. In order to assess awareness of this tool, levels of participation in the courses are monitored. Italgas does not have a structured process to assess the level of trust of its own workers on these channels.

Taking action on material impacts on own workforce, and approaches to managing material risks and pursuing material opportunities related to own workforce (S1-4)

The Group adopts a wide range of initiatives aimed at effectively managing the main issues related to human rights, diversity, equal opportunities and health and safety. At the same time, it is committed to strengthening

and promoting employees' skills, as well as continuously improving its welfare policies. The effectiveness of the actions taken to mitigate negative impacts is monitored through the targets set for each impact.

Ensuring respect for human rights

The Group has developed a human rights due diligence process aimed at identifying, assessing and mitigating potential impacts and risks related to human rights within its activities and business relationships, applying operational procedures, audits, monitoring of targets and anonymous reporting channels. The effectiveness of the measures is verified periodically and integrated with employee awareness programmes.

The Group participates in international initiatives, such as the Business and Human Rights Accelerator of the UN Global Compact Network Italy, in order to learn more and exchange views with international associations, peers and non-governmental organisations on the best practices for managing risks related to human rights.

Encouragement of women to take up management roles and guarantee a working environment that offers equal opportunities, including equal pay

Italgas confirms its commitment to Diversity & Inclusion in order to improve the inclusion, promote equal opportunities, appreciate the value of diversity and promote the uniqueness of individuals in line with the objectives set out in the Sustainable Value Creation Plan. A change management programme was launched dedicated to Diversity & Inclusion through widespread awareness-raising initiatives, which in 2025 culminated in the identification of over 70 Diversity & Inclusion Ambassadors, key figures of change focusing on: Age & Culture, Disability, Gender and Sexual Orientation. The D&I ambassador programme was launched in Greece, involving people from different areas of the country and different roles.

Italgas successfully passed the verification of continued compliance with the UNI Pdr 125/2022 certification for two Group companies (Italgas S.p.A. and Geoside) and joined several organisations to promote an inclusive business model. In 2025, Italgas contributed to the creation of the association *PARI – Insieme contro la violenza di genere* (Together Against Gender-Based Violence) as a founding member. It promoted numerous training and awareness initiatives aimed at raising awareness among the corporate population of issues related to gender-based violence. To raise awareness of disability issues, Italgas organised e-learning training courses to provide the tools necessary to make corporate documents accessible. It also introduced a Total Reward system to increase awareness of its elements of remuneration. Italgas constantly monitors the effectiveness of its actions through the annual survey "Your voice counts" and other targeted surveys. Thanks to employee feedback, initiatives such as the Olympic Games, a day of sport and sharing, and Open Gest, an initiative aimed at all Italgas Reti employees, have been launched to transform the company strategy into day-to-day work.

Promoting the welfare of employees

Italgas provides a welfare programme with a wide range of services and initiatives to meet the diverse needs of the employee population, including support for family, income, health and physical wellbeing, leisure, and daily tasks, with a target of 90% employee participation by 2030. In 2025, the welfare plan confirmed the initiatives introduced in 2024 and was further enriched with the introduction of Euty, an app supporting parenting, financial education and public welfare benefits. It also maintained sporting events and the increase in the number of smart working days for parents with children up to 14 years of age.

Paternity leave is extended, allowing all new fathers to take an additional 5 days of paternity leave, in addition to the 10 currently required by law. Support is offered for income and leisure (micro-credit, agreements with banking institutions, etc.), for the family (day-care reimbursement, summer camps, study support), and for health and welfare (cancer prevention). In 2025, Italgas doubled the number of scholarships available to employees' children attending secondary school and university, bringing the total to 50. Welfare Days and webinars are an important opportunity for all company population to share and learn more.

In a regulatory context that does not provide for specific provisions in this area, the Greek companies chose to act proactively through company-level bargaining, introducing policies aimed at improving work-life balance and safeguarding people's wellbeing. This includes the introduction of smart working from 2024 and the activation of forms of health coverage.

Promoting health and safety of employees

The Italgas Group is committed to ensuring safe working conditions, aiming to *maintain a combined accident index for employees and contractors of^{f10} less than 0.15*.

This objective is pursued through dedicated training activities, awareness-raising meetings and opportunities to meet and discuss safety, promoting a corporate culture that is geared towards prevention and the protection of workers' health. In 2025, meetings were held between management and employees to examine organisational and operational aspects with a particular focus on safety issues.

The main safety indicators are analysed and shared with managements on a monthly basis as part of the Monthly Dashboard. In 2025, the project to monitor safety conditions on construction sites continued and improved with constant inspections throughout the year regarding HSE aspects, with particular attention being paid to high-risk activities that may result in accidents. More than 5,466 site inspections were carried out in Italy and 504 site inspections in Greece across the Group.

In the event of particularly significant accidents or near misses, the causes of the event and the main corrective actions to be implemented in order to avoid the event recurring in other Group companies are shared with the management and HSE bodies of their companies.

The action plan includes the continuation of the actions already undertaken with a particular focus on reducing the combined accident rate and increasing the reporting of unsafe actions and conditions by workers on the Safe4You app, available to all workers on the Company intranet.

Actions to remedy current negative material impacts

The Italgas Group implements various activities aimed at minimising accidents involving its employees, as illustrated in DR S1-4. In 2025, for the Italian scope, there was an increase in the number of accidents that occurred during the work activities of employees, regarding the Italian perimeter (see DR S1-14). All events were subjected to systemic analyses in order to define corrective actions that were promptly activated to avoid the recurrence of similar accidents.

The development of digital skills and the optimisation of resources

¹¹⁰ It is obtained from the product of the accident frequency index, expressed as the number of accidents occurring per million hours worked, and the accident severity index, expressed as the number of days of absence per thousand hours worked.

In 2025, Italgas further consolidated its skills development strategy through IGAcademy, continuing the upskilling and reskilling initiatives in a structured manner. A total of more than 300,000 hours of training were delivered, distributed across the three pillars of the IGAcademy model: “Excellence”, “People” and “Innovation”.

The training offer included technical courses on emergency situations, innovative technologies (such as Picarro, MadFlex and 3D Asset Mapping), gas distribution and emergency response; programmes developed in collaboration with the POLIMI Graduate School of Management on project management with certifications and open badges; content on commercial topics, complaint management, accounting and asset-related aspects, and sustainability together with the Sustainability Ambassadors. HSE and Compliance programmes continued, including initiatives on GDPR, whistleblowing and anti-corruption.

The *WeSpeak* programme delivered language training in English and Greek, while *WeTrain* involved more than one hundred internal trainers in workshops dedicated to facilitation techniques.

Digital platforms continued to transform learning into a “pull” model, encouraging autonomy and proactivity. Gamification initiatives such as *FantAcademy* increased engagement, while the availability of on-demand content encouraged increasingly personalised and continuous access to training pathways. In 2025, new edutainment and hackathon programmes also became established – *Al’m Ready*, *WeManageProjects* and *WeDesign* – which accelerated the dissemination of skills in analytics, artificial intelligence, project management and design thinking, with hybrid, interactive formats oriented towards experimentation.

A central role was played by the *IGTalks*: Ten sessions open to the entire Group population dedicated to Innovation, Finance and Sustainability, which fostered a shared culture on emerging technologies, sector macrotrends and the energy transition.

2025 was also the year of integration with 2i Rete Gas, which involved an extraordinary investment in programmes dedicated to Operations: more than 60,000 hours of training for former 2i personnel (around 30 hours per person), of which more than 30,000 hours were delivered in person, and more than 20,000 hours of HSE training for 1,300 field operators. In addition, 140 new experts were deployed to provide operational support across the territory.

The integration was accompanied by the creation of a single digital *Learning Hub*, with more than 20,000 visits and more than 300 interactions with the two support chatbots developed using GenAI technologies. Thanks to artificial intelligence tools, more than 70 video tutorials and webinars were produced, for a total of around 20 hours, dedicated to the use of Italgas applications and processes. This approach made on-demand and accessible materials available and ensured they were continuously updated, strengthening just-in-time learning capabilities throughout the integration process.

Personal development and leadership programmes:

- WeBecome: Development Centre for evaluation and skills development;
- WeGrow: Pathway for Individual Contributors with potential on self-empowerment;
- WeLead: Programme for new managers on developing managerial skills;
- ElevaTeam: Pathways for teams on change management and empowerment;
- 2Gether and Italgas Way: Integration pathways for new Group companies;
- Coaching: For strengthening leadership figures;
- Inspire & Influence: For people managers, aimed at inspiration and involvement;

- Initiative & Decision-making: For people managers, aimed at training decision-making in complex contexts.

National and international collaborations with SDA Bocconi, IESE, Headspring, Knauss and Innovit continued to strengthen the offer on innovation, leadership and change management, with certified programmes and a global perspective. Italgas participates in initiatives promoted by the CDP network, including a Corporate MBA and several executive training programmes developed in collaboration with leading Italian and international Business Schools. All the actions described above contribute to achieving the training and development objectives of the Sustainable Value Creation Plan. Future financial resources allocated for the management of the issue and the achievement of the objectives refer to a total of approximately 266 million euro of CapEx and OpEx in the 2026-2031 reference period. In 2025, over 42 million euro were spent on activities related to safety of the employees, in operational activities and on construction sites, welfare initiatives, D&I, development and training and recruitment for Group personnel.

These CapEx are indicated in this document in Note 13 “Property, plant and equipment” and Note 14 “Intangible assets” of the Consolidated Financial Statements; the OpEx, on the other hand, are indicated in Note 28 “Total costs and other expenses” of the Consolidated Financial Statements.

The People Department is responsible for identifying, monitoring and managing negative impacts, as well as promoting positive impacts.

The process of identifying actions includes risk assessment and analysis of legislative compliance regarding the management of employment relationships within the Group. In the case of potential negative impacts, Italgas uses internal audits, climate surveys and reporting channels to assess the likelihood and severity of the impacts, while for actual impacts, in-depth internal investigations are conducted to assess the implementation of actions towards employees and/or corrective measures.

The actions identified are selected based on their suitability in the specific context and their ability to resolve the impact effectively, ensuring compliance with Company standards and workers' rights.

For Group companies based in Italy and operating in the gas distribution sector, or which control or are controlled by a gas distribution company, the possible impact in terms of loss of market, or loss of concessions in one or more Minimum Territorial Areas (ATEMs) is managed by applying the employment protection mechanism provided for by sector regulations (DM 21/04/2011), allocating workers correctly in the various ATEMs. Similarly, for companies in the water sector, in the context of tenders concerning one or more Optimal Territorial Areas, the calls for tenders for the award of the concession include specific social safeguard clauses relating to staff and employment protection. More generally, in any case, where market contractions or losses occur, the instruments provided for by current national legislation shall apply.

Targets related to managing material negative impacts, advancing positive impacts, and managing material risks and opportunities (S1-5, MDR-T, MDR-M)

To apply the principles set out in the above-mentioned policies concerning the Group's workers, Italgas has established specific targets in line with the strategy outlined in its Sustainable Value Creation Plan.

Category and units	Target scope ¹¹¹	Target	Target year	Progress (2024)	Progress (2025)
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¹¹¹ The targets refer to the scope of the Group companies consolidated using the line-by-line method as of 31 December 2025, any exceptions are expressly stated in the document. .

Combined accident index for employees and contractors (minimum annual target) ¹¹²	Group	< 0.15	Minimum annual target	0.034	0.073
Use of welfare services	Group	> 90 %	2030	81%	84%
Average per capita training hours provided ¹¹³	Group	50 hours per employee per year	2031	45 hours	50 hours
Women in positions of responsibility ¹¹⁴	Group	33.5%	2031	28.8%	27%
Gender Equity Pay Gap ¹¹⁵	Italy	3%	2030	7.5%	5.7%

The targets are aimed at the continuous improvement of the Group's performance and are not monitored with reference to a specific base year but with respect to the pre-established value to be achieved. Based on the results derived from monitoring the performance, any modifications or areas for improvement in the policies, initiatives, and services implemented by the company are assessed. In establishing the indicators of profitability, productivity and sustainability that form the basis of the performance bonus, the Italgas Group involves employees through their union representatives, discussing and sharing points for improvement and establishing evaluation criteria. Through the climate survey, the opinions and perceptions of employees are collected with respect to various areas, including the Group's performance and objectives, helping to identify areas of excellence and improvement.

Characteristics of the undertaking's employees (S1-6)

In 2025, the corporate population increased by 46% compared with 2024, mainly due to the acquisition of 2i Rete Gas and the subsequent integration of its personnel.

	Gender	Unit of measurement	Country	2024	2025
No. of Employees	M	Headcount	Italy and Greece	3,449	5,081
	F	Headcount	Italy and Greece	890	1,262
	Other	headcount	Italy and Greece	0	0
	Not stated	headcount	Italy and Greece	0	0
Total no. of employees (headcount)				4,339	6,343
Employees in countries with more than 50 employees and who represent at least 10% of the total number of the Group's workforce.		headcount	Italy	3,700	5,630
		headcount	Greece	639	713

Type of contract	Gender	Unit of measurement	2024	2025
Employees with permanent contracts	M	headcount	3,296	4,975
	F	headcount	859	1,245

¹¹² Measured as the product of the frequency index (number of accidents per million hours worked) and severity index (number of days of absence per thousand hours worked) of accidents recorded at Group and contractors level during the year. For 2025, excluding the contribution from 2i Rete Gas for the months of April to June 2025..

¹¹³

¹¹⁴Percentage of women holding the position of "head of business unit" as at 31 December 2025. Women in positions of responsibility are defined as female employees who hold formally assigned roles with functions of management, coordination or supervision of people, activities and processes.

¹¹⁵ Calculated as the change between the gross annual remuneration of women to men for comparable groups of employees according to organisational weight, referred to the Italian scope. Staff from 2i Rete Gas are excluded for 2025. This indicator is calculated differently from the "Gender Pay Gap," as shown in S1-16.

	Other	headcount	0	0
	Not stated	headcount	0	0
Employees on fixed-term contracts	M	headcount	153	106
	F	headcount	31	17
	Other	headcount	0	0
	Not stated	headcount	0	0
Employees with a zero-hours contract	M	headcount	0	0
	F	headcount	0	0
	Other	headcount	0	0
	Not stated	headcount	0	0
Full-time employees	M	headcount	3,440	5,070
	F	headcount	855	1,164
	Other	headcount	0	0
	Not stated	headcount	0	0
Part-time employees	M	headcount	9	11
	F	headcount	35	98
	Other	headcount	0	0
	Not stated	headcount	0	0

	31.12.2024				31.12.2025			
Employees leaving	M	F	Other	Not stated	M	F	Other	Not stated
Employees leaving (no.)	273	55	0	0	294	64	0	0
voluntarily	96	30	0	0	84	40	0	0
Turnover rate (%)	7.92	6.18	0	0	5.79	5.07	0	0
Voluntary turnover rate ¹¹⁶ (%)	2.78	3.37	0	0	1.65	3.17	0	0

Type of contract	Country	Unit of measurement	2024	2025
Employees with permanent contracts	Italy	headcount	3,589	5,555
	Greece	headcount	566	665
Employees on fixed-term contracts	Italy	headcount	111	75
	Greece	headcount	73	48
Employees with a zero-hours contract	Italy	headcount	0	0
	Greece	headcount	0	0
Full-time employees	Italy	headcount	3,656	5,521
	Greece	headcount	639	713
Part-time employees	Italy	headcount	44	109
	Greece	headcount	0	0

Quantitative information on the Group's employees is expressed in terms of headcount and refers to Group employees as of 31 December 2025.

During 2025, a total of 261 people were hired from the market (166 in Italy and 95 in Greece).

It is noted that in note 28 of the Consolidated Financial Statements, relating to Total costs and other expenses, the most representative number of employees of the Italgas Group is indicated in the section "Average number of employees," in line with the requirements of datapoint S1-6.

Characteristics non-employees in the undertaking's own workforce (S1-7)

¹¹⁶ Indicates the percentage of employees who voluntarily left the company in relation to the total workforce, excluding retirements

During 2025, the number of non-employee workers engaged by the Italgas Group decreased significantly, falling from 82 to 4. This mainly concerned agency workers in the Italian offices, while in Greece no service provision contracts remain active.

Non-employed workers	Unit of measurement	2024	2025
Total number of non-employee workers in the workforce	headcount	82	4
Total number of non-employee workers in the workforce – self-employed	headcount	0	0
Total number of non-employee workers in the workforce – workers provided by Companies primarily engaged in recruitment, selection, and staff supply activities	headcount	82	4

The above information on non-employee workers is expressed in terms of headcount and refers to the Group's non-employee workers as of 31 December 2025.

Collective bargaining coverage and social dialogue (S1-8)

In 2025, the Group continued its commitment to maintaining strong relations with the trade unions, aiming to implement the Industrial Relations Protocol.

Through trade union dialogue, important agreements were reached on several issues, including, following the merger of 2i Rete Gas S.p.A. into Italgas Reti S.p.A., the harmonisation of economic and regulatory conditions across the entire Italgas Group (Italy), recognising the contribution of both corporate entities involved in the transaction across all the Group's companies.

The Italian Competition Authority (AGCM), in approving the acquisition of 2i Rete Gas, required the disposal of certain portions of methane gas distribution concessions; also in this case, dialogue between the parties led to the signing of a trade union agreement safeguarding the conditions of employees transferred to the new acquiring companies.

Discussions also continued on employment issues and on the reinternalisation of key activities such as the on-call emergency response service, following the profound territorial reorganisation resulting from the merger. Trade union negotiations also focused on organisational matters, including the reorganisation at Group level of the Integrated Supervision Centre (CIS) and the Command and Control Centre for Digital Plants and Networks (CIRD), as well as the revision of the agreements relating to the Picarro leak detection service.

The Parties also collaborated to raise safety standards and safeguard corporate assets through a trade union agreement on video surveillance, in response to the EU Critical Entities Resilience (CER) Directive, aimed at protecting corporate assets and through the experimental installation of dash cams on board all company vehicles dedicated to the night-time leak detection service. In December, a further trade union procedure was carried out pursuant to Article 47 of Law no. 428/1990 for the creation of a real estate newco serving the Group. The Parties also finalised the calculation of the 2024 performance bonus and defined the targets for 2025.

The work of the Joint Training Institution also continued, with the sharing of Group training initiatives and the signing of agreements for financed training: the Parties also entered into an agreement to participate in the New Skills Fund call for proposals.

With reference to Greece, the Company entered into second-level company agreements relating both to aspects concerning workers' safety and to bonuses and incentive schemes.

	Unit of measurement	Country	2024	2025
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No. Employees covered by collective labour agreements	<i>headcount</i>	Italy + Greece	3,700 (Italy) 639 (Greece) to which the national collective agreement applies, of which only 560 also have coverage under the company collective agreement (permanent workers).	5630 (Italy) 713 (Greece) to which the national collective agreement applies, of which 643 also have coverage under the company collective agreement (permanent workers).
Total no. of employees	<i>headcount</i>	Italy + Greece	3,700 (Italy) 639 (Greece)	5630 (Italy) 713 (Greece)
% of employees covered by collective labour agreements	%	Italy	100%	100%
	%	Greece	100% (87.64% of employees are also covered by a company collective agreement)	100% (90.2% of employees are also covered by a company collective agreement)

Rate of non-employees covered by collective labour agreements	2024 - Country	2025 - Country
0-19%		
20-39%		
40-59%		
60-79%		
80-100%	ITALY + GREECE (covered by national collective agreements)	ITALY + GREECE (covered by national collective agreements)

Workplace representation	2024 - Country	2025 - Country
0-19%		
20-39%		
40-59%		
60-79%		
80-100%	ITALY and GREECE	ITALY and GREECE

At 31 December 2025, 100% of employees were covered by collective labour agreements¹¹⁷.

Specifically, 100% of employees in Italy are covered by both national and company collective labour agreements.

With reference to the employees of the Greek companies, 100% of them are covered by the national collective labour agreement, while only employees hired on a permanent basis are also covered by an additional collective agreement at company level providing more favourable conditions. The percentage of workers to whom this company contract applies in Greece is 90.2% (or 639 employees out of a total of 713).

With regard to the Group's non-employee workers, their terms of recruitment and employment are defined in accordance with the staff recruitment agencies (which apply national collective agreements). Those who have entered into individual collaboration contracts with the companies of the Group are not included in the calculation of the percentage indicated above, as by definition they do not refer to any national collective labour agreement.

Regarding the percentage of the Group's employees in Italy who are guaranteed union representation, all employees are represented by the Unitary Trade Union Representations, accounting for 100%.

¹¹⁷The percentages were calculated using the following formula: (Number of employees covered by collective agreements / Total number of Group employees) x 100.

Specifically, the Industrial Relations Protocol defines the concept of a production unit not as a single plant (except for headquarters) but at least as the territory of the regional hub. Therefore, we can say that 100% of workers perform their duties in a production unit where union representation is present. With reference to Greece, the percentage of the Group's employees who are guaranteed union representation is also 100%, as union representation is established at the company level, meaning that the production unit corresponds to the company itself.

There are no agreements between the Group's employees and trade union organisations at the European level (European Works Council, Societas Europaea Works Council, or Societas Cooperativa Europaea Works Council).

Diversity metrics (S1-9)

The Group is increasingly committed to creating a management system that is gender-balanced and promotes the inclusion and enhancement of diversity.

In 2025: in the Italy-Greece scope, female managers account for 27% and women in Top Management – understood here as level -1 and -2 reporting to the CEO – represent 34.3%. The table below shows the gender distribution of the Group's Top Management¹¹⁸ and the age distribution of its employees.

	Unit of measurement	Gender	2024	2025
Employees belonging to the Group's Top Management (no.)	headcount	Men	76	88
	headcount	Women	40	46
	headcount	Other	-	0
	headcount	Not stated	-	0
Employees belonging to the Group's Top Management (%)	%	Men	65.5%	65.7%
	%	Women	34.5%	34.3%
	%	Other	-	0
	%	Not stated	-	0
Total employees belonging to Top Management	headcount		116	134

	Unit of measurement	Age group	2024	2025
Group employees (no.)	headcount	< 30 years	499	528
	headcount	30-50 years	1,749	2,707
	headcount	> 50 years	2,091	3,108

Adequate wages (S1-10)

The Group ensures that all employees receive fair compensation through the application of the economic and regulatory provisions established by collective bargaining agreements.

Italgas is committed to ensuring a remuneration policy in line with national and international best practices, which supports and promotes the development of the business and its people, and is consistent with the provisions of the Strategic Plan and the Sustainable Value Creation Plan and reflects the Group's values and culture. In particular, remuneration policies are evaluated taking into account the following elements:

- market benchmarks, with the support of independent and highly specialised advisors, using specific remuneration benchmarks updated at least annually, in order to ensure that all Group employees receive fair remuneration in line with the main market and governance practices;
- the leadership and performance model, which values the results achieved and the quality of the professional contribution according to the responsibilities assigned and the commitment required;
- the potential for personal development and professional and managerial skills.

¹¹⁸ The definition of Top Management includes the levels -1 and -2 reporting to the Group's Chief Executive Officer.

The remuneration policy for the majority of employees is strongly meritocratic and defined in accordance with the principles of inclusion and plurality, equal opportunities, valorisation of people's knowledge and professionalism, fairness, non-discrimination and integrity laid down in the Code of Ethics.

In order to guarantee pay fairness, including in terms of gender balance, Italgas refined the definition of gender pay gap and, with the support of the Appointments and Compensation Committee, developed a specific indicator aimed at reducing the Gender Equity Pay Gap, based on the principle of "equal pay for equal work", not only to promote fairness and justice in the workplace, but also to contribute to better motivation and satisfaction of employees in order to reduce turnover while at the same time attracting talent and improving company performance.

Social protection (S1-11)

Regarding social protection coverage for illness, unemployment, parental leave, workplace accidents, disability and retirement, all employees of the Group are covered by the relevant national legislation.

All Group workers are guaranteed all social rights thanks to institutions linked to the state legal system (access to healthcare, maternity protection, pensions, etc.).

Persons with disabilities (S1-12)

In 2025, people belonging to protected categories accounted for 4.9% of the Group's corporate population¹¹⁹ (compared with 4% in 2024), of whom 73% were men and 27% were women (in 2024, 74.1% were men and 25.9% were women).

Training and skills development metrics (S1-13)

Italgas is aware that the main challenges of the digital transformation of the gas distribution sector are people-related, for this reason, the Group has included a commitment in its 2025-2031 Sustainable Value Creation Plan to continue investing in training activities (upskilling and reskilling), strengthening training programmes capable of anticipating the skills of the future and supporting the technological evolution of the business.

2024 – Employees who participated in performance assessments								
	Headcount				%			
	M	F	Other	Not stated	M	F	Other	Not stated
Executives	44	14	0	0	70%	70%	0	0
Managers	283	117	0	0	91%	89%	0	0
Office Workers	1,534	630	0	0	88%	86%	0	0
Field Workers	1,078	5	0	0	81%	100%	0	0
Total	2,939	766	0	0	85%	86%	0	0
Non-employees	0	0	0	0	0%	0%	0	0
2025 – Employees who participated in performance assessments								
	Headcount				%			
	M	F	Other	Not stated	M	F	Other	Not stated
Executives	42	15	0	0	53%	68%	0	0
Managers	281	115	0	0	71%	78%	0	0
Office Workers	1,579	663	0	0	59%	61%	0	0
Field Workers	1,214	5	0	0	62%	83%	0	0
Total	3,116	798	0	0	61%	63%	0	0
Non-employees	0	0	0	0	0	0	0	0
2024								

¹¹⁹In Italy, employees belonging to the protected categories are those specified in Law 68/99; in Greece, the legislation defines such individuals differently. Therefore, only the categories of "World War II Orphans" and "Employees with a disability greater than 50%" have been considered.

	Total hours of training delivered				Average hours of training provided			
	M	F	Other	Not stated	M	F	Other	Not stated
Executives	2,507	1,162	0	0	42	65	0	0
Managers	13,820	6,450	0	0	45	50	0	0
Office Workers	73,841	28,925	0	0	43	40	0	0
Field Workers	68,165	214	0	0	51	43	0	0
Total	158,333	36,751	0	0	46	42	0	0
Non-employees	902	541	0	0	22	17	0	0
2025								
	Total hours of training delivered				Average hours of training provided			
	M	F	Other	Not stated	M	F	Other	Not stated
Executives	1,954	716	0	0	24	33	0	0
Managers	16,659	6,781	0	0	42	46	0	0
Office Workers	131,227	42,975	0	0	49	40	0	0
Field Workers	117,176	292	0	0	60	49	0	0
Total	267,015	50,765	0	0	53	40	0	0
Non-employees	45	22	0	0	22	11	0	0

In 2025, 3,814 employees participated in the performance evaluation process¹²⁰. An increase in headcount was recorded compared with 2024, due to the inclusion of Field Workers from the Greek companies within the scope of the process. However, the reduction in the coverage percentage is attributable to the fact that colleagues from 2i Rete Gas will be involved in the evaluation campaign starting from 2026.

More than 300,000 hours of training were delivered in Italy and Greece, with an average of 50 hours per employee.

Training hours related to digitisation

Training	Unit	2024	2025
Training on topics related to digitisation ¹²¹	hours	29,313	27,837

Health and safety metrics (S1-14)

The management system is structured and implemented according to the requirements of the international standards of reference. The regulatory instruments put in place contribute to regulatory compliance and to ensuring the health and safety of the Group's people (employees, end customers, contractors, etc.) and accident¹²² prevention.

All Group companies have a 45001 system for occupational health and safety management.

100% of the Italgas Group employees, regardless of the type of contract, are covered by occupational health and safety management systems.

Indicator	2024		2025	
	No. of Employees	Non-employed workers	No. of Employees	Non-employed workers
Number of accidents at work	11	0	17	0
Rate of accidents at work ¹²³	1.56	0	1.79	0
Number of cases of occupational diseases	2	n.a.	6	0
Number of days lost due to work-related injuries, work-related illnesses and deaths as a result of illnesses	269	0	357	0
of which were caused by accidents	269	0	357	0

¹²⁰ The percentage of employees who took part in the performance appraisal process was calculated based on the total number of employees, broken down by gender and job category.

¹²¹ Participation is tracked through attendance recording systems or external training certificates. Training on digitisation includes digital information content, courses on artificial intelligence, Digital Factory products and technologies supporting process transformation.

¹²² An injury is considered an event that results in an absence from work of more than 3 days, according to the company procedure.

¹²³ Accident Frequency Index for employees group

of which were due to occupational diseases	n.a.	n.a.	n.a.	n.a.
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Indicator	2024			2025		
	No. of Employees	Non-employed workers	Value chain workers (within Italgas Group sites)	No. of Employees	Non-employed workers	Value chain workers (within Italgas Group sites)
Total number of deaths due to workplace accidents and occupational diseases	0	0	0	0	0	0
of which were as a result of accidents	0	0	0	0	0	0
of which as a result of occupational diseases	0	0	0	0	0	0

Indicator	2024			2025		
	Type of employee	headcount	%	Type of employee	headcount	%
Workers covered by a Health and Safety management system in accordance with the law or recognised standards, and which has been either internally verified or externally certified.	Employee	3,750	86%	Employee		100
	Non-employee	n.a.	n.a.	Non-employee	n.a.	n.a.

Lost-Time Injury Frequency Rate (LTIFR)

The data presented in the table below include the frequency rate relating to injuries resulting in absence from work¹²⁴, broken down between employees and contractors.

LTIFR ¹²⁵	2024	2025
No. of Employees	1.56	1.79
Data coverage (as % of employees, operations or revenue)	100%	100%
Contractors	1.00	1.49 ¹²⁶
Data coverage (as % of employees, operations or revenue)	100%	100%

Work-life balance metrics (S1-15)

The Italgas Group provides initiatives to support family and parenting needs.

Below are the figures on family leave for Group employees.

Family leave ¹²⁷	Gender	Unit of measurement	2024	2025
Employees with access to family leave	All	%	100	100
Employees who have taken family leave	M	%	8.9	13.2
	F	%	2.8	4.71
	Other	%	0	0
	Not stated	%	0	0
	Total	%	11.7	17.91

¹²⁴ A Lost-Time Injury is defined as any work-related injury that prevents a company employee or a worker employed by third-party contractors from returning to work on the next scheduled working day or shift.

¹²⁵ The Lost Time Injury Frequency Rate is calculated using the following formula: (number of lost-time injuries) / (total hours worked in the reference period) × 1,000,000

¹²⁶ The contribution from 2i Rete Gas contractors is excluded for 2025 (specifically for the months of April to June 2025).

¹²⁷ In Italy, family leave is understood to mean compulsory maternity, paternity, or parental leave, as well as leave to care for family members with disabilities (Italian Law 104/92). In Greece, only compulsory maternity, paternity and parental leave are considered, as there is no provision for leave for family members with disabilities.

Compensation metrics (pay gap and total remuneration) (S1-16)

Following the pathway initiated in the area of diversity and inclusion, the Group is committed to reducing the gender pay gap by monitoring it on an annual basis.

The gender pay gap values, calculated as the simple average of gross annual salaries¹²⁸ on an hourly basis by employee category and geographical area, are shown below. In particular, given the Group's activities in both Italy and Greece, a corrective factor has been applied to the Greek perimeter data using the Price Level Index (PLI) values provided by the World Bank, in order to account for the different purchasing power between the two countries.

Gender pay gap	Unit of measurement	2024	2025
Employee category (Italy + Greece)			
Executives	%	5.7	-0.7
Middle Managers	%	4.6	3.2
Employees	%	2.3	1.5
Manual workers	%	16.3	15.4
Country			
Italy	%	-10.6	-8.8
Greece	%	-7.9	-3.8

The overall gender pay gap, considering the total annual compensation¹²⁹ paid to employees, is -1.4% for the Group (-0.7% in 2024). If the PLI corrective factor is not used, the value is -2.4% (0.5% in 2024). Finally, the ratio between the total annual remuneration of the CEO and the median total gross annual remuneration of the employees of the Italgas Group (known as the “pay ratio”) is equal to 1:32 (1:39 in 2024).

Incidents, complaints and severe human rights impacts (S1-17)

As indicated in the Human Rights Policy, as well as in the Group's Code of Ethics and the Suppliers Code of Ethics, human rights are considered inalienable and essential prerogatives of human beings and the basis for the construction of societies founded on principles of equality, solidarity, the repudiation of war and protection of civil and political rights, social, economic and cultural rights and third-generation rights (right to self-determination, peace, development and the safeguarding of the environment).

Italgas is committed to promptly identifying any incidents or episodes of human rights violations against its employees. Such episodes include cases of discrimination based on gender, ethnic origin, nationality, religion or any other belief, disability, age, sexual orientation or other significant forms of discrimination. In 2025, there were no recorded incidents of discrimination, human rights violations or any other form of harassment within the Group.

During the year, no fines or sanctions were imposed as a result of incidents of discrimination or complaints received through the appropriate channels indicated above.

Through the whistleblowing channel (illustrated in detail in data point G1-1), 19 reports were received in 2025, related to the internal control system (process anomalies related to the application of procedures or instructions of the Group) and other issues (Model 231 – Code of Ethics). By 31 December 2025, 13 were filed, while 6

¹²⁸ The calculation of the gender pay gap excludes the remuneration of the General Manager and Chief Executive Officer, as their remuneration includes the portion attributable to both roles. Gross annual salary refers to the fixed compensation that the employee receives over the course of the year.

¹²⁹ The total annual remuneration is composed of the gross annual salary plus the annual amount of variable remuneration and also includes all compensation elements that the employee receives on a continuous basis over time. For the purposes of the total annual remuneration analysis (pay ratio and gender pay gap), only employees who have worked for the entire year have been considered. For Greece, all variable components, including the contribution component, are considered in the calculation of total annual remuneration.

are still being processed. All reports are related to Italgas Reti. In detail, 2 of the 13 closed reports concerned violations of the employment contract, resulting in disciplinary measures including suspension from work and pay or a verbal reprimand; the other 11 were deemed to be unfounded, while the remaining 6 are still under assessment, while no risk profiles have emerged relating to offences linked to corruption, discrimination, harassment, privacy violations, conflicts of interest, money laundering or insider trading.

S2 – Workers in the value chain

Interests and views of stakeholders (ESRS 2 SBM-2)

Italgas is aware of its central role in the supply chain as a key player in the spread of sustainable and responsible practices. The Group is committed to driving change by incentivising virtuous behaviour and supporting the growth of a supplier network that is increasingly attentive to respect for human rights, environmental protection and the creation of inclusive and safe working conditions. Through its numerous engagement and listening activities, Italgas integrates the interests, rights and opinions of workers along the entire value chain into its strategy and business model. At the same time, it requires suppliers to comply with high ethical standards, with particular regard to human rights, and compliance is monitored through regular audits.

Material impacts, risks and opportunities and their interaction with strategy and business model (ESRS 2 SBM-3)

Italgas recognises that the actual and potential impacts on value chain workers, as reported below, are closely related to its strategy and business model:

- Failure to respect the human rights of workers in the supply chain – upstream value chain activities, particularly in high-risk sectors such as the steel industry and the assembly of semi-finished products up to the extraction of raw materials, are exposed to potential human rights violations. For example, this may occur in the production of steel pipelines by suppliers operating in non-European countries with less stringent labour regulations. Although no supplier has been identified as being at significant risk of incidents of child labour and/or forced labour, Italgas pays great attention to verifying the working conditions of its suppliers and respect for human rights.

Type of workers: workers from supplier and sub-supplier enterprises in non-EU countries.

- Failure to respect diversity and equal opportunities for workers in the supply chain – upstream phases may potentially involve discrimination related to gender, age, ethnicity or religion, particularly in production sectors requiring skills and tasks that may create barriers to entry for female candidates.

Type of workers: female workers or workers from minority or fragile groups.

- Failure to safeguard the health and safety of workers in the supply chain – upstream activities, such as operational activities for the construction and maintenance of infrastructure carried out on construction sites by contractors and subcontractors, the production of components and processing of materials (such as steel), and the extraction of these materials, expose workers to potential health and safety risks. These potential negative impacts derive mainly from workplace accidents due, for example, to the use of dangerous machinery and/or exposure to harmful substances that could occur

due to inadequate management of health and safety rules or lack of specific training and adequate preventive measures.

Type of workers: workers involved in operational activities at production sites or construction sites.

These potential negative impacts are attributable to isolated and non-systemic events, also in view of the fact that most Italgas suppliers are based in Italy or Greece where national regulations protecting workers' rights are in place.

To prevent and mitigate these impacts, the Group has implemented company policies and procedures that include the regular review of contracts with suppliers as well as audits and assessments of working conditions, promoting the social responsibility of contractors along the entire value chain.

There are no risks or opportunities arising in relation to supply chain workers.

Policies related to value chain workers (S2-1, MDR-P)

The Group has adopted the following policies for the management of material IROs related to workers along the value chain: the Human Rights Policy and the Suppliers' Code of Ethics.

The aim of these policies is to prevent potential harmful practices related to the violation of human rights such as forced and child labour, to promote equal opportunities and an inclusive work environment, as well as to protect health and safety.

The Group is committed to sharing these documents with its suppliers, requiring them to respect and promote its principles throughout their supply chain, with the involvement of subcontractors and other partners.

Italgas regularly monitors compliance through audits and ongoing assessments to ensure that these principles are adopted.

In addition, it promotes the involvement of suppliers through training, engagement and ESG support programmes for the development of a sustainable supply chain.

The Human Rights Policy promotes, among the Group's business partners, respect for and protection of fundamental rights, including civil, political, social, economic and environmental rights. These areas include the protection of dignity and non-discrimination, the promotion of safe working conditions and freedom of association, the prevention of exploitation and child labour, supply chain monitoring, health and safety, contributions to local communities and the protection of personal data.

The Suppliers' Code of Ethics defines the fundamental principles that must guide the relations between the Group and its suppliers, and provides for a zero tolerance policy towards any violation of human rights, reiterating that no corporate interest can justify behaviour contrary to ethical standards. Italgas reserves the right not to establish or to terminate at any time relationships with parties that do not comply with the provisions of the Group's Code of Ethics or the Suppliers' Code of Ethics.

The Supplier Code of Ethics governs compliance with regulations, fair competition, the prevention of corruption, the management of conflicts of interest, the confidentiality of information, human rights and equal opportunities, and the commitment to health, safety and environmental protection.

The Group conducts a due diligence process with regard to human rights that involves all the Group's operations and companies, as well as its suppliers, and is subject to an annual review.

The actions outlined and carried out by the Italgas Group throughout the Human Rights Policy and the Supplier Code of Ethics are developed, in line with the principles of the United Nations Global Compact, within the

reference framework of the United Nations' Universal Declaration of Human Rights, the International Labour Organization Conventions and the OECD Guidelines for Multinational Enterprises.

The Group is also committed to protecting the rights of minors and children according to the Children's Rights and Business Principles.

In 2025, no cases of violation of the above regulatory principles involving supply chain workers were found.

Processes for engaging with value chain workers about impacts (S2-2)

In order to manage the real and potential impacts on workers in the supply chain, Italgas adopts a direct and continuous involvement approach based on numerous initiatives, including e-learning courses and face-to-face training, collaborative workshops and activities involving participation and engagement of SMEs.

The IG Academy for Suppliers, launched in 2024, is a training programme based on suppliers' training needs (identified through direct consultation) and aimed at promoting competencies on key topics such as energy efficiency, climate change, human rights, safety, digitisation and innovation.

To promote a safety culture among workers in the value chain and strengthen partnerships with suppliers, several meetings were organised during 2025 with more than 160 suppliers, focusing on Supplier Regulations, waste management and the analysis of high-risk safety activities identified during inspections, as well as the related prevention, monitoring and remedial measures.

Since 2025, the Group has launched a development and growth programme with its suppliers, "capacity building", an initiative designed to support and guide strategic suppliers along a sustainable development path and to promote the sharing of best practices across the entire Supply Chain. The initiative has a dual objective: to ensure the achievement of Italgas' ESG objectives and to promote a more responsible and competitive business ecosystem. In addition, it promotes the participation of suppliers in training courses organised by associations to which the Group belongs, such as "Valore D", PA.RI., Global Compact Italia and "Sustainability Makers".

The operational responsibility for ensuring that engagement with workers in the value chain is effective is entrusted to the Procurement Department, which coordinates and liaises with the various company departments to ensure that the initiatives are properly implemented.

To assess the performance of suppliers throughout all stages of procurement, Italgas uses a monitoring system based on Vendor Rating 360°, which include indices and criteria such as Operational Rating, reputational verification, ESG score, financial soundness index and HSE score. This approach provides a measure of the effectiveness of audit, training and workshop activities on supplier performance throughout the procurement stages.

Italgas adopts a series of measures to understand the perspectives of particularly vulnerable or marginalised workers in the value chain. During the phase of qualification and participation in competitions, suppliers are required to provide ISO certifications attesting to the creation, application and maintenance of a work management and organisation system that complies with specific internationally recognised standards of reference, thus ensuring employment organisation that respects workers' fundamental rights. In addition to the mandatory certifications for high-complexity procurement categories (ISO 9001 for quality management systems, ISO 14001 or EMAS for environmental management systems, ISO 45001 for health and safety management systems), the Group considers, as awarding criteria in tender procedures, other certifications relating to environmental, social and governance impacts across the entire supply chain, such as SA8000 on

social responsibility, UNI/PdR 125 on gender equality, ISO 37001 for the adoption of an Anti-Corruption Management System, and product certifications (EPD, ISO 14067, ISO 14064). During the tender phase, suppliers must disclose information on the gender composition of the company's workforce and demonstrate regular payment of wages and contributions. Finally, through on-site audits, Italgas monitors the conditions of workers with particular attention paid to respect for human rights and procedures regarding the health and safety of its most vulnerable workers.

Processes to remediate negative impacts and channels for value chain workers to raise concerns (S2-3)

The Group adopts a responsible approach to the management of remedial measures for any negative material impacts on workers in the value chain caused or influenced by its activities. The remediation process includes the assessment of the impact, in compliance with the applicable legislation on joint liability in contracting arrangements, and the possible involvement of trade union organisations in implementation of the Industrial Relations Protocol, in order to ensure that the measures adopted effectively address the needs of workers in the value chain who may be affected. The effectiveness of the remedies is evaluated through internal checks with the managers of the procurement contracts and constant monitoring of any effects. When necessary, this process includes discussions with the trade unions, in order to ensure that the solutions adopted have effectively resolved the issues identified. By doing so, the Group ensures that the remedies provided are adequate and consistent with its standards of social responsibility applied throughout the value chain.

The Italgas Group has implemented a Whistleblowing Procedure that allows workers in the value chain to directly report any concerns or irregularities. This procedure is described in detail in DR G1-1.

The Italgas Group supports and requires information about the availability of reporting channels in the workplace within the value chain. Currently, there is no structured process to assess the awareness and level of trust of workers in the value chain with regard to these channels.

Taking action on material impacts on value chain workers, and approaches to managing material risks and pursuing material opportunities related to value chain workers, and effectiveness of those actions (S2-4)

Italgas promotes a sustainable value chain through a supplier qualification system based on a sustainability questionnaire. This tool provides an overview of certifications, management systems, company information and working conditions. The checks are carried out by the Supply Chain Sustainability department with the support of third-party companies in accordance with the ISO/IEC 17021-1:2015 standard, and include ESG audits for analysing human rights, working conditions, consumption and environmental impact. At the end of the audits, any critical issues are classified into three levels (Minor, Serious, Critical), with an action plan shared and monitored with the supplier to evaluate its effectiveness.

In 2025, a total of 70 ESG audits were carried out, 69 on-site and 1 on-desk audit. (55% more than the previous year).

Italgas adopts initiatives to improve safety and reduce accidents, involving employees and suppliers in awareness-raising meetings and setting up bodies such as the CCRLSA (Company Safety Workers' Representative Coordination Committee) and IPA Training (Joint Company Institution) to promote a shared culture of safety.

Supplier performance management is governed by the Supplier Regulations and monitored through technical and operational audits, which guarantee adequate working conditions and compliance with standards.

Since 2021, Italgas has launched training programmes for first and second level suppliers (Tier I and Tier II), offering courses, workshops and webinars through the dedicated Academy, which aims to improve the capabilities of suppliers and promote socio-economic development within the territories in which it operates. During the twice-yearly Supplier Conference, Italgas also shares common objectives and challenges.

In the event of any negative impacts, such as violations of workers' rights or accidents at work, Italgas analyses the causes, supports the supplier in preventive measures and monitors the effectiveness of corrective actions. Supplier compliance is guaranteed through audits, reputational checks and, if necessary, measures such as suspension or termination of the contract. Before reaching the termination of the contractual relationship, Italgas takes a precautionary and gradual approach (warning and suspension) to avoid compromising workers' conditions.

To date, no material violations of workers' rights have emerged. The data collected, such as those concerning the reduction in "non-conformities", the identification of "near misses" and the improvements detected by workers of suppliers through surveys relating to ESG issues, confirm the effectiveness of the actions taken in promoting a responsible and sustainable value chain.

In the reference period 2026-2031, OpEx costs of approximately 1 million euro are expected for the management of ESG audits, training, consultancy and conventions, in order to achieve the related objectives¹³⁰. In 2025, operating costs relating to this topic amounted to approximately 155 thousand euro of OpEx.

These OpEx are indicated in this document in Note 28 "Total costs and other expenses" of the Consolidated Financial Statements.

The Group has not identified any risks or opportunities of financial significance to the workers in the value chain.

There have been no significant events regarding the violation of human rights by suppliers or other workers in the value chain in the last 5 years.

Targets related to managing material negative impacts, advancing positive impacts, and managing material risks and opportunities (S2-5, MDR-T, MDR-M)

The Group has set targets to guaranteeing responsible and sustainable management along the value chain.

TARGET	Target scope ¹³¹	Base year	Target	Target year	Year of reporting (2024) %	Year of reporting (2025) %	Type of target
Significant suppliers ¹³² Assessed on ESG topics	Group	-	100%	2026	80% ¹³³	90%	relative
Significant suppliers for Sustainability subject to ESG audits in the field (including human rights compliance)	Group	2024	100%	2028	17% ¹³⁴	32%	relative

¹³⁰ Value expressed net of personnel costs.

¹³¹ The targets refer to the scope of the Group companies consolidated using the line-by-line method as of 2025.

¹³² For the definition of significant suppliers (Tier 1), please refer to the section "Management of relations with suppliers (G1-2)".

¹³³ The percentage is calculated as the ratio of significant suppliers involved in training activities and/or having completed the ESG questionnaire to the total number of significant suppliers for Italy and Greece. Water suppliers were included in the 2025 calculation.

¹³⁴ The percentage is calculated as the ratio of the number of high sustainability risk suppliers audited to the total number of high sustainability risk suppliers.

The targets have been defined within the reference framework of the United Nations Universal Declaration of Human Rights, the fundamental Conventions of the International Labour Organization, the OECD Guidelines for Multinational Enterprises and on the basis of benchmarks with other operators in the sector.

In line with the Sustainable Value Creation Plan, the targets relating to the value chain contribute to the reduction of potential negative impacts on the supply chain through the promotion of best practices in sustainability. The targets refer to suppliers at high risk for Sustainability, defined as those suppliers of strategic importance for the Group's core business at potential risk of non-compliance with their contractual obligations regarding sustainability, whose turnover represents approximately 80% of the total turnover.

Suppliers are indirectly involved in defining targets throughout the year, through sectoral workshops and events such as the Supplier Conference and challenges open to start-ups and SMEs aimed at improving performance (Ideas4Italgas).

The monitoring of targets is carried out through the constant tracking of supplier performance, from the evaluation during the qualification phase (ESG score) to the verification in the field (ESG audit). Training activities are provided to support improvement plans for the gaps identified during both the evaluation and audit phases.

S3 – Affected communities

Interests and views of stakeholders and Material impacts, risks and opportunities and their interaction with strategy and business model (ESRS 2 SBM-2 and SBM-3)

The Italgas Group considers dialogue with local areas and communities a central element of its way of operating, recognising their needs, rights and concerns as key factors in shaping its strategy and developing its business model.

The impact related to asset integrity is closely linked to the local community, as it may involve potential gas leaks that could lead to explosions or fires, with serious consequences for the local population. No risks or opportunities have been identified concerning this issue. Potentially affected communities are represented by all citizens living in Italian and Greek municipalities whose gas distribution networks are managed by the Group; these impacts are associated with specific potential incidents rather than systemic impacts. It has not been possible to identify specific individuals or groups of individuals within these communities with particular characteristics that would make them more likely to be affected, as the potential impact applies to the entire local community, with no significant distinctions between individuals.

The impact relating to the limited capacity to modernise, digitise and adapt infrastructure to receive green gases may have negative effects on the communities served. In particular, a potential slowdown in the modernisation of the network could compromise the continuity and reliability of the service, with potential adverse effects on the well-being of local communities and negative repercussions on the timing and effectiveness of the energy transition. No risks or opportunities have been identified in relation to this topic. In assessing the financial significance, an analysis was conducted that identified events, such as the risk of accidents or malfunctions that can cause temporary service interruptions, but whose impact and probability are not sufficient to make them relevant. For further discussion, refer to sections SBM-2 and SBM-3 of ESRS 2.

Policies related to affected communities (S3-1, MDR-P)

As this is a central issue for the proper performance of its gas distribution activities, Italgas refers to a very comprehensive internal regulatory framework. The procedures refer to the maintenance activities of assets, emergency management, and other field operations, which allow constant monitoring of the network and prompt intervention in case of reports and incidents. Such procedures are explicitly geared toward compliance with current regulations, which set minimum standards for safety and operational efficiency. However, the Group does not limit itself to applying regulatory provisions: as indicated in DR S3-5, Italgas has set ambitious targets reflecting its commitment to ensuring higher levels of efficiency, safety and sustainability, distinguishing itself through the adoption of practices that not only comply with regulatory requirements but also further mitigate both the impact related to asset integrity on local communities and that connected to the limited capacity for the modernisation and digitisation of infrastructure.

Top Management is ultimately responsible for implementing procedures that govern technical and operational activities, reporting directly to the CEOs of the Group companies responsible for gas distribution. The internal procedures also refer to the relevant legislation that is directly issued by the public Authority through ARERA (in Italy) or RAE (in Greece). As a public body, the latter is considered a proxy representing the relevant stakeholder (i.e. the local community).

The procedures are not only made available to all the Group staff specifically involved in network maintenance, control and emergency response, but also to the rest of the Italgas workforce. The reference principles of the Italgas Group for the protection of rights relating to impacts on health and safety associated with asset integrity events are guided by the principles established in the OECD guidelines for multinational enterprises, the United Nations Guiding Principles on Business and Human Rights and the fundamental Conventions of the ILO. Furthermore, Italgas is a member of the United Nations Global Compact (UNGC) programme. The Group's Human Rights Policy also applies to the rights of local communities in the areas where Italgas operates. For further information on Human Rights Policy, refer to DR S1-1. In the event of an asset integrity incident, the Group immediately involves the local community through contacts with the relevant municipal administration. Italgas has facilities dedicated to on-call and emergency response, with staff who are specially trained to manage critical situations. Furthermore, two centralised command and control rooms (the Plants and Networks Command and Control Centres, located in Turin and Florence) operating 24 hours a day, guarantee constant support for the management of the distribution system. The Group operates in areas where there are no indigenous populations.

To strengthen its commitment to reducing the environmental impact of its activities and, at the same time, to promoting the energy transition in the areas where it operates, in 2024 the Group adopted the Climate Change Policy, based on two fundamental pillars: mitigation and adaptation.

Within the framework of climate change mitigation, the Group works to reduce emissions through the digitisation and continuous modernisation of the gas distribution network, in order to enable the dispatching of renewable gases such as hydrogen and biomethane and, at the same time, to ensure the optimisation of operational efficiency and network safety.

Processes for engaging with affected communities about impacts (S3-2)

The Company adopts a structured and continuous dialogue with local communities, managed through the Local Institutional Relations (LIR) Department, which interacts directly and continuously with municipal

administrations to collect and respond to the needs of the community. Among the various topics dealt with, a significant amount of time is dedicated to asset integrity (e.g. the extension of the gas distribution network, the management of sensitive users such as schools, etc.). In emergency situations, such as the temporary suspension of services or accidental pipe breakages, the Local Institutional Relations Department coordinates the dialogue with local administrations and the response to actions introduced to minimise the impact. The LIR Department is responsible for actively involving municipal administrations and, when necessary, groups of citizens, in order to ensure that company activities are consistent with the needs of local communities, particularly with regard to aspects such as safety and prevention. This activity is also carried out in the context of the implementation of innovative investments, such as the construction of the Hyround plant in Sardinia, or the introduction of significant technical and operational innovations, such as Picarro technologies, 3D Asset Mapping and Green Sites. This engagement may take the form, where necessary, of participation in “open” municipal council meetings or other forms of dialogue, direct or mediated, with the citizens of the municipalities served. With this in mind, the Group is also committed to meet with a number of local administrations each year that are representative of at least 40% of all re-delivery points.

The Head of the LIR Department ensures that the involvement is continuous and that the results are also used in making company decisions. Since the topics dealt with are extremely varied, the approach to evaluating the actions is flexible and not standardised, in order to respond in an flexible and adequate manner to the specific needs of each situation, based on direct contacts with the members of the administrations.

Processes to remediate negative impacts and channels for affected communities to raise concerns (S3-3)

Italgas has adopted procedures and activities aimed at minimising gas leaks, which could generate potential problems for its infrastructure. In the event of an emergency, Italgas has emergency response teams that are able to identify and resolve any issues that arise. Italgas provides various communication channels to facilitate direct dialogue with local communities and ensure effective management of any issues.

Specifically, the Group has a toll-free number that is active 24 hours a day, 7 days a week: this channel activates the emergency response structure for any potential asset integrity hazard reported by the community. In addition to the specific channel for reporting gas leaks and faults, the Group has another toll-free number and a dedicated section on its web portal for complaints and various reports. All the above toll-free numbers related to emergencies, as well as commercial communication, are listed on the company's websites and are printed on the bills of end customers.

The Group constantly monitors the KPIs relating to contacts from these channels; calls relating to emergency service reports are also monitored to ensure that at least 90% of them are handled within 120 seconds, as required by the Authority.

Taking action on material impacts on affected communities, and approaches to managing material risks and pursuing material opportunities related to affected communities, and effectiveness of those actions (S3-4, MDR-A)

The Group constantly applies measures to guarantee the safety and reliability of the gas distribution network, minimising the risk of potential accidents and negative impacts on the surrounding communities. The main actions taken include predictive maintenance of the network, which allows for constant monitoring of the

network's condition and identification of potential signs of wear or malfunctions before they become problematic; research and monitoring activities on fugitive emissions, including the development of operational guidelines that standardise the response to gas leaks.

During the year, the Group continued its usual emergency response activities, with staff who are specially trained to manage critical situations. Two Plants and Networks Command and Control Centres (located in Turin and Florence) operate as centralised command and control rooms, operational 24 hours a day, guaranteeing constant support for the management of the distribution system. Each emergency call means that a specialised technician will arrive on site within 1 hour to ascertain and, if necessary, resolve the anomaly reported by the user.

In the event of any emergency relating to the integrity of the distribution network, the Group has emergency response teams that are able to identify and resolve the issues presented.

The Group reports all the operational KPIs relating to network investigation to the Top Management on a monthly basis in dedicated meetings (Sustainability Business Review and the Operational Committee). In addition, Italgas periodically communicates its asset integrity results in response to requests from regulatory bodies.

The Group has Territorial Emergency Plans, related to each individual distribution plant, where equipment, tools, companies operating in the area, public authorities and entities, sensitive Customers/Entities, reduction groups, interceptor valves, critical points (pipes crimped on bridges, in crossings of important river basins, active fronts of landslide movements, etc.) are identified, allowing for a complete view for handling any emergencies. To manage this impact, Italgas allocates both financial and human resources to manage any emergency in the territory according to the deadlines set by the authorities.

Future financial resources allocated for the management of the issue and the achievement of the objectives amount to 4,543.7 million euro of CapEx and 847.4 of OpEx in the 2026-2031 reference period. In 2025, 553.4 million euro of CapEx and 96.3 million euro of OpEx were spent. These values mainly refer to inspection and maintenance activities and to the Emergency Service activities.

These CapEx are indicated in this document in Note 13 "Property, plant and equipment" and Note 14 "Intangible assets" of the Consolidated Financial Statements; the OpEx, on the other hand, are indicated in Note 28 "Total costs and other expenses" of the Consolidated Financial Statements.

In addition, with regard to the impact relating to the limited capacity for infrastructure modernisation and digitisation, Italgas has identified the digital transformation of networks as the main enabler of the future of energy. Smart, digital and flexible networks are in fact the essential condition for receiving and managing renewable gases such as biomethane, hydrogen and synthetic methane in a safe and efficient manner. The development of these green gases promotes local energy production, triggers circular economy models and enables a concrete response to the energy trilemma: security of supply, through the diversification of sources; environmental sustainability, through the use of low- or zero-emission gases; cost competitiveness, made possible by the production and development of resources at local level. In this context, the digitisation of infrastructure is not only a technological factor but a strategic element for supporting the energy transition and generating value for communities.

In the 2025-2031 Strategic Plan, the Group has planned investments of 3.1 billion euro for digitisation and the integration of AI solutions, with the objective of completing the technological transformation of infrastructure management processes. Among the main solutions adopted is the proprietary DANA platform, which enables

the remote management of 100% of the network within the pre-acquisition perimeter of Italgas Reti (with the objective of extending this solution to Greece by 2026 and to the entire network in Italy by 2027), through continuous monitoring and prompt intervention in the event of anomalies. A further example is represented by the programme for the large-scale replacement of traditional meters with Nimbus, Italgas' proprietary meter, which stands out for its advanced smart metering functionalities that allow local communities to benefit from a high level of transparency and reliability in billing processes.

With respect to renewable gas, the number of biomethane plant connections is increasing: currently 12 plants are already connected to the Italgas network, 50 are under construction, with the objective of reaching a capacity of 1.2 bcm/y injected into the network from connected plants by 2030. The Group is also developing three reverse-flow projects across the national territory, which will make it possible to overcome biomethane absorption constraints in the local distribution network, thereby facilitating additional plant connections.

The Italgas network is already compatible with hydrogen blends of up to 2% and can reach up to 20% with minimal adaptation measures. Among the initiatives developed by the Group, particularly noteworthy is the Hyround plant, commissioned in 2025, which will enable the production of up to 70 t/y of hydrogen at full capacity and the use of this gas in the following three end uses: in pure form for transport, through a refuelling station; in blending up to 20% for injection into the city distribution network; and as fuel for local industry. Green gases allow communities to receive renewable energy through the existing supply, promoting a sustainable transition without structural modifications.

During the reference period, no serious human rights issues or incidents were reported in relation to the communities concerned.

Targets related to managing material negative impacts, advancing positive impacts, and managing material risks and opportunities (S3-5, MDR-M, MDR-T)

To assess its performance in managing the asset integrity, Italgas uses KPIs that are derived from specific regulatory requirements established by ARERA. Italgas' targets in this area refer to these KPIs but have a much stricter performance level than what is strictly required by the regulations, with the goal of achieving the operational efficiency and safety objectives for the Group and local communities as outlined in the company procedures managing the issue.

The objectives and corresponding performance for 2025 are presented below:

Category and units ¹³⁵	Scope	Annual ¹³⁶	2028	Progress status				Type of target
				2024		2025		
				%	Absolute value	%	Absolute value	
Network inspection % of networks subjected to annual planned inspection for gas leaks ¹³⁷	Gas distribution	100% ¹³⁸	200%	154%	N/A	183% on a like-for-like basis compared with 2024	N/A	Relative

¹³⁵ ARERA/RAE may conduct control activities on the values of the KPIs indicated and communicated to ensure their accuracy. Based on these KPIs, Italgas sets its own targets related to asset integrity. ARERA/RAE, as public authorities, can be considered representative bodies of the impacted communities.

¹³⁶ The targets refer to the scope of the Group companies consolidated using the line-by-line method as of 31 December 2024.

¹³⁷ Value calculated as the ratio between the linear extension of the networks inspected in the calendar year and the total extension of the Group's gas networks.

¹³⁸ ARERA Target: network inspection equal respectively to 100% in the 3 mobile years for high and medium pressure networks and 100% in the 4 mobile years for low pressure networks; RAE target: 2-4 times a year for ductile networks in densely populated areas, while targets for other types of networks vary from once a year to once every 4 years, depending on the characteristics of the network.

						141% including the former 2i Rete Gas network		
Emergency assistance % of interventions carried out on site, with emergency intervention performed within 60 minutes	Gas distribution	98% ¹³⁹	N/A	99.4%	N/A	99.49%	N/A	Relative

The impacted stakeholders, namely the local community, indirectly participate in the definition of Italgas' asset integrity targets, as the competent public authority, ARERA/RAE, sets specific legally binding performance standards, which are far lower than the more ambitious target levels set by Italgas. For performance monitoring and analysis, which allows the Group both to identify areas for improvement and implement corrective actions to further reduce risk areas, and to report results in response to requests from regulatory bodies, Italgas uses advanced technologies and digitised processes to constantly monitor the network and minimise the likelihood of incidents concerning asset integrity. It also uses smart maintenance principles and Picarro CRDS technology, which allows for extremely accurate monitoring of the network's conditions.

To assess its performance in relation to infrastructure modernisation and digitisation, Italgas uses the KPIs included in the Sustainable Value Creation Plan. In particular, the KPIs used were:

TARGET	Target year	Target Value	u.o.m.	Progress status		Type of target
				2025		
				Absolute value	%	
Biomethane distribution Million Sm3/year of biomethane distributed from production plants connected to the Group's distribution network	2030	1,200	mln Sm3	20	N/A	Absolute
Production and distribution of green hydrogen Tonnes of green hydrogen produced and distributed in the Group's P2G pilot plant in Sardinia.	2030	290	tonne	1.8	N/A	Absolute
Digitisation of the distribution networks % of city gates in the gas distribution network digitised and capable of being monitored through DANA by 2025 in Italy (before the acquisition of 2i Rete Gas)	2025	100	%	N/A	100%	Relative
Digitisation of the distribution networks % of district governors digitised and remotely monitored through DANA by 2025 in Italy (before the acquisition of 2i Rete Gas))	2025	95	%	N/A	95%	Relative
Digitisation of the distribution networks % of assets digitised by 2025 and remotely monitored through DANA4Greece by 2026 in Greece	2026	100	%	N/A	100% of assets digitised	Relative

Italgas' strategy is aimed at building an increasingly digitalised and innovative infrastructure, with the objective of generating concrete and lasting benefits for local communities, while promoting the sustainability, quality and safety of the services provided across the territory.

¹³⁹ ARERA targets: > 90%; RAE target: >90% within 120 minutes, without exceeding the 240 minutes in any case.

7.4 Governance information

G1 – Business conduct

The role of the administrative, supervisory and management bodies (ESRS 2 GOV-1 ESRS G1)

Italgas' administrative and corporate bodies, management and Supervisory Body play crucial roles in ensuring the compliance and integrity of the company's operations. These bodies work together in synergy to ensure that Italgas operates in a way that is ethical, transparent and compliant with regulations, thus contributing to the Company's sustainability and growth. In particular, the Board of Directors defines the strategic guidelines and corporate objectives, while the Board of Statutory Auditors supervises, among other things, compliance with the law and the articles of association, adherence to the principles of sound management, and the adequacy of the internal control and risk management system, as well as the administrative and accounting system. The Board Committees perform preparatory, advisory and consultative functions in support of the Board of Directors. The management of Italgas, guarantor of transparency and honesty in compliance with the rules protecting competition, is responsible for implementing company policies and procedures in accordance with the Code of Ethics. The Supervisory Body of each Group company, appointed by the Board of Directors, has autonomous powers of initiative and control. Its tasks include monitoring the effectiveness of Model 231 and the Code of Ethics (in collaboration with Management), analysing their adequacy and functionality over time, and approving the annual programme of supervisory activities. In addition, it examines the results of the activities carried out and verifies the information flows with the company departments and corporate bodies, ensuring that Italgas maintains high standards of corporate conduct and regulatory compliance. The members of the Board of Directors and the Board of Statutory Auditors have significant experience in the fields of finance, industry, ESG and Climate Change, Audit, Enterprise Risk Management, People and HR, and Governance.

Description of the processes to identify and assess material impacts, risks and opportunities (ESRS 2 IRO-1)

In the process of identifying material Impacts, Risks and Opportunities in relation to its corporate conduct, Italgas considers criteria that include the location and type of its activities and the reference value chain. For further discussion, see ESRS 2 IRO-1.

Corporate culture and business conduct policies (G1-1, MDR-P)

For the management of IROs relating to corporate conduct, Italgas has various regulatory documents, including the Code of Ethics – a document that describes the values and responsibilities that the Group recognises, accepts and shares, both internally and externally – the Organisation, Management and Control Model pursuant to Legislative Decree 231/2001 (Model 231), a Corporate Compliance Policy that outlines the principles and objectives that inspire the management systems for the prevention and combating of corruption, compliance and reporting. In particular, the Policy for the prevention and fight against corruption is based on the following principles: 1) Oppose without exception any practices of corruption, illicit favours, collusive behaviour, or solicitations, whether direct or through third parties, for personal or career advantages for oneself or others; 2) Conduct activities in compliance with anti-corruption laws, all other administrative requirements, and any additional and improved corporate regulations; 3) Develop and implement all necessary organisational

and procedural solutions to prevent and combat corrupt practices; 4) Select and promote the development of suppliers in accordance with the principles of this policy, requiring them to maintain behaviour consistent with it.

The Policy is also adopted in compliance with the requirements set out by the UNI EN ISO 37001:2016 standard, "Anti-bribery management systems – Requirements and guidance for use", and the tenth principle of the Global Compact, which states that "businesses should work against corruption in all its forms, including extortion and bribery". Italgas considers the development and maintenance of the aforementioned documents and its management systems as fundamental tools for raising awareness and engaging employees and stakeholders, as well as for improving its processes. With this in mind, the objectives of the policy are the following:

- (i) the minimisation of the risk of violations that could expose the organisation to sanctions, financial damage and damage to its reputation;
- (ii) increasing stakeholder confidence in the organisation's ability to carry out its activities in accordance with applicable regulations and highlight any non-compliance.

With a view to transparency and collaboration, including with regard to stakeholders, the Code of Ethics (<https://www.italgas.it/en/investors/governance/business-ethics/ethical-code/>) and the Policy (<https://www.italgas.it/en/investors/governance/business-ethics/anticorruption-procedure/>) are published on the company intranet and on the Group's website, making them accessible to anyone who is interested. For more information, refer to DR S2-2 and S2-3. In accordance with the provisions of the UNI ISO 37001:2016 standard, the Group has identified company positions with a corruption risk higher than low, in relation to which annual checks are carried out both by the internal departments set up for this purpose and by the external certification body DNV. The above-mentioned Departments are the first levels of the organisational structure of each company in the Italgas Group. Furthermore, Italgas undertakes to ensure that its directors, auditors, management, employees and all those who work to achieve the company's objectives respect the fundamental principles of the Code of Ethics, as essential behaviour for the efficiency, reliability and reputation of the company. Italgas is committed to raising awareness of corporate conduct issues, providing training on the company's Code of Ethics, Corporate Compliance Policy, Model 231, the reporting procedure and management systems dedicated to the prevention of corruption, as well as encouraging whistleblowing and compliance, and requiring acceptance of and compliance with the principles contained therein. These initiatives are aimed at its own staff and relevant stakeholders, using internal communications and specific training programmes, delivered both in the classroom and via e-learning. The Supervisory Body also supervises the effectiveness of training on the Code of Ethics. The Code of Ethics and the Corporate Compliance Policy apply to Italgas's staff and its business partners; the ultimate responsibility for the implementation of the above-mentioned documents lies with the Board of Directors and the CEO.

In accordance with European regulations on whistleblowing (EU Directive 2019/1937) and their respective national implementations, the Italgas Group has implemented a new platform for managing reports regarding, for example, working conditions, discrimination, human rights violations, and safety.

The platform¹⁴⁰, available in Italian, English and Greek, allows the reporter to choose whether to send anonymous or identifiable reports, either in written or oral form. In the case of oral alerts, the channel ensures the protection of the whistleblower's voice. Sensitive data are treated with the utmost care and in full

¹⁴⁰ <https://segnalazioniwhistleblowing.integrityline.com/>

compliance with the GDPR. Even for anonymous reports, it is possible to communicate with whistleblowers through a secure mailbox to obtain further information or confirm receipt of the report.

The Procedure is widely disseminated both internally, through publication on the company intranet, notice board postings, and training activities (especially for new hires), and externally via the company's website (<https://www.italgas.it/en/governance/business-ethics/reporting-procedure/>).

Specifically, the Whistleblowing Management System aims to:

- encourage the reporting of suspected violations of regulations in good faith, or based on reasonable belief, without fear of reprisals;
- support and protect whistleblowers and other stakeholders involved;
- reduce the risk of misconduct.

The management of reports and the related data processing for privacy purposes is carried out by each Italgas Group company through its own internal offices or through outsourcing arrangements by way of specific service contracts. The platform offers adequate guarantees to protect the confidentiality of the identity of the whistleblowers, the persons involved and the persons mentioned in the reports, as well as the contents of the reports and the related documentation.

The platform is only accessible to the Internal Audit Department, which refers reports, depending on their nature, to the Supervisory Body, the Whistleblowing Committee or the Qualified Whistleblowing Committee. In addition, the reporting channel allows the Group to provide feedback to the whistleblower on the actions taken within 90 days of the report. To ensure that they are known and accessible, the company communicates the procedures and indicative management times transparently.

Management of relations with suppliers (G1-2)

The Italgas Group has implemented a structured workflow for managing the procure-to-pay cycle. Upon receipt of an incoming invoice, a verification and approval process begins, based on predefined thresholds and authorisation levels, before the invoice is recorded in the accounting system. The procedure ensures that, except in specific cases, authorisation and payment processing are carried out within standard contractual terms based on the invoice due date. In cases where invoices are disputed or under review, the process is suspended until the issue is resolved. With regard to the Group's approach to relations with its suppliers and the assessments relating to sustainability matters, including the social and environmental criteria used for supplier selection, the main KPIs used by the Group are set out below:

Supplier Screening¹⁴¹

Supplier Screening	u.o.m.	2024	2025
Total number of Tier-1 suppliers	#	2,350	4,282
Total number of significant Tier-1 suppliers	#	275	217

¹⁴¹ Data collection for the purposes of the KPIs is carried out using different methods for three corporate clusters (Italian non-water companies, water business companies and Greek gas distribution companies). Tier-1 suppliers are identified according to different criteria: for Italian non-water companies through ERP data with at least one goods receipt during the year (with specific exclusions), while for water and Greek companies they are identified based on the invoiced value. Significant Tier-1 suppliers are selected according to qualitative and economic relevance parameters, complemented by managerial assessment. The share of spend with significant suppliers is calculated as the ratio between the invoiced amount of significant suppliers and the total invoiced amount. Significant non-Tier-1 suppliers include only indirect suppliers/subcontractors without direct invoicing, identified based on economic thresholds or strategic relevance, and are monitored only for Italian non-water companies. The total number of significant suppliers is the sum of direct and indirect suppliers considered relevant for their operational and strategic impact.

% of total annual spend with significant Tier-1 suppliers	%	80	75
Total number of significant non-Tier-1 suppliers	#	74	58
Total number of significant suppliers (Tier-1 and non-Tier-1)	#	349	275

Supplier Assessment and/or Development¹⁴²

Supplier Assessment	u.o.m.	2024	2025
Total number of suppliers assessed through document review (desk assessment) / on-site visits (on-site assessment)	#	247	206
% of unique significant suppliers assessed	%	70.77	74.9
Number of suppliers assessed with actual / potential significant negative impacts	#	247	206
% of suppliers with actual / potential significant negative impacts for whom a corrective / improvement action plan has been agreed	%	70.77	74.9
Number of suppliers with actual / potential significant negative impacts for whom the supply relationship has been terminated	#	4	8

Prevention and detection of corruption and bribery (G1-3)

Italgas has implemented a structured system to prevent, detect and address corruption risks and potential incidents, based on various internal regulatory instruments and an integrated Corporate Compliance policy:

- Corporate Compliance Policy, which illustrates the principles and objectives regarding the prevention of and fight against corruption, integrated compliance and reporting, aiming at an integrated compliance system to prevent and manage the risks of non-compliance;
- Anti-Corruption Compliance Standard, which provides a systemic framework of reference for internal anti-corruption regulations and describes how to prevent and manage any episodes of corruption;
- Compliance Standard “Reports received by Italgas and its subsidiaries that regulates the process of receiving, analysing and handling reports of conduct that is illegal or in conflict with the Code of Ethics and/or Model 231.

At Italgas, investigations into possible corruptive events are mainly carried out independently by the Supervisory Body, which is made up of individuals from outside the organisation and has unlimited access to company information for investigation, analysis and control activities. Investigations may be carried out with the support of the Internal Audit and Security Departments and any other departments that may be necessary for the investigations. The Anti-Corruption Management System, in accordance with ISO 37001, requires the annual sharing of the Review Report by the Compliance Department for the Prevention of and Fight Against Corruption with the Supervisory Body, the Control, Risk and Related Party Transactions Committee, the Board of Statutory Auditors and the Board of Directors. The Report documents the results of the monitoring of the management system, including any detected episodes of corruption and the related management methods. Italgas is committed to raising awareness of the Anti-Corruption Management System among its employees and suppliers. This objective is pursued through specific training programmes, delivered in the classroom or via e-learning, which are updated periodically and, in any case, at least every three years, and involve all

¹⁴² Significant suppliers are assessed from an ESG perspective through the CRIF-Synesgy questionnaire during the qualification, renewal and tender participation phases; the questionnaire is valid for two years and does not renew automatically. Entities exempt from the standard qualification process are excluded (e.g. Public Administrations, professionals appointed by public entities, certification bodies, law firms and notarial offices, natural persons, sole proprietorships, Group companies, entities operating in regulated sectors, start-ups and innovative SMEs). All suppliers are considered potential sources of ESG impacts and are therefore subject to monitoring. Those with significant negative impacts are required to update the questionnaire, which includes an ESG score, sector benchmark and a Corrective Action Plan, and to participate in improvement initiatives; in the event of breaches or non-compliant behaviour, contractual relationships may be suspended or terminated.

Group staff. Furthermore, Italgas provides anti-corruption training to its suppliers that do not have an adequate training programme in this area, which is required for the purposes of qualification. Periodically, classroom training sessions are held (administrative responsibility of entities - Legislative Decree 231/2001, code of ethics and anti-corruption) involving all the top management of the Group Companies, i.e., CEOs and their front lines¹⁴³, who represent the corporate functions with higher than low risk of corruption according to the anti-corruption risk assessment matrix. This training was also carried out during 2025. The topics covered in the training are administrative responsibility of entities, the Corporate Compliance Management Systems adopted, the code of ethics as well as the system of sanctions provided for violation of the same. Anti-corruption training covers both active and passive corruption, both public and private, with relevant examples. The training is updated at least every 3 years. Upon accepting their office, members of the administrative, management and supervisory bodies are given the relevant internal regulatory instruments and sign a declaration in which they undertake to know and abide by its principles.

Confirmed incidents of corruption or bribery (G1-4)

In 2025, in line with 2024, there were no convictions or commuted fines for corruption or bribery incidents. In any case, the internal regulatory instruments provide for the application of disciplinary sanctions – up to and including dismissal for just cause – in the event of a violation of the internal anti-corruption policy and procedures, depending on the severity of the violation¹⁴⁴.

Political influence and lobbying activities (G1-5)

With regard to advocacy activities, the Group has defined clear roles and responsibilities for their management: the final responsibility for this lies with the Head of Institutional Relations and Regulatory Affairs, as there is no member of the corporate bodies with specific delegated powers regarding these issues. The issue at the basis of advocacy, lobbying and stakeholder engagement activities centres around the recognition of innovation and digitisation of the gas infrastructure as essential elements to enabling networks for the distribution of renewable gases, thus contributing to energy transition.

Below is an overview of the specific issues addressed during 2025 and any references to the related legislative dossiers:

- the strategic prospects for natural gas distribution infrastructures and their digital transformation;
- the role of biomethane and renewable gases (hydrogen) in the energy transition process;
- the redefinition of incentive schemes for biomethane production, in view of the expiry of the measures provided for by the PNRR (June 2026)
- the inclusion of road transport activities in the “virtual pipeline” provided for in the Decree of the President of the Council of Ministers identifying the works and infrastructure necessary for the phase-out of coal use in Sardinia and for the decarbonisation of the island’s industrial sectors, and the related tariff regulation;
- the management of assets in the water sector of the companies Acqualatina, Siciliacque and Acqua Campania, and other related open issues.

¹⁴³ The percentage of at-risk departments covered by the training programmes is 100%.

¹⁴⁴ During 2025, no events of dismissal for just cause due to violation of the internal anti-corruption policy and procedures were recorded.

- participation in public conferences, such as Biogas Italy and Biomethane Connect Europe, in Paris, in March 2025, concerning the strategic role of biomethane in the Italian and European context;
- the revision of the competitive system for the award of gas distribution concession tenders;
- participation in European public consultations on the European Grid Package and the Citizens Energy Package – protecting and empowering consumers in the just transition;
- participation in European roadmaps on: European Water Resilience Strategy, European Grid Package, EU Strategy to Boost Global Climate and Energy Transition, Citizens Energy Package – protecting and empowering consumers in the just transition;
- contribution to the definition of the governance rules relating to the integration of gas distribution within the DSO Entity referred to in Regulation (EU) 2024/1789.
- support and expediting activities for funding that has already been allocated for: methanisation in Southern Italy (gas), investments funded by the National Recovery and Resilience Plan (hydrogen and water filling stations), the Development and Cohesion Fund, the National Plan for Infrastructure Investments and the Safety of the Water System, and wastewater reuse.

Italgas is registered in the European Union Transparency Register under identification number 477543424417-73, where the contributions provided to the development of European legislation can be consulted.

The Group does not make contributions to political figures or groups, either in cash or in kind; nor is Italgas legally obliged to register with a chamber of commerce or other organisation representing interests. Finally, no member of the Board of Directors or the Board of Statutory Auditors held a comparable position in public administration (including regulatory authorities) in the two years prior to appointment in the current reporting period.

Payment practices (G1-6)

The Group's standard contractual payment terms provide the payment of supplier invoices within 60 days from the last day of the month in which the invoice is issued. This payment standard applies to 81% (97% in 2024) of invoices of the main suppliers category, namely those belonging to the “network and metering works” cluster¹⁴⁵. In 2025, in Italy, the average days between the Group's standard contractual payment deadline and the payment of the invoice amount to approximately 22 days (26 in 2024), or 82 days (86 in 2024), from the last day of the month of invoice issuance¹⁴⁶. The number of legal proceedings currently pending for late payment is 0.

Actions and resources in relation to material sustainability matters, Metrics in relation to material sustainability matters, Tracking effectiveness of policies and actions through targets (MDR-A, MDR-M, MDR-T).

The performance related to the “anti-corruption” topic is assessed in relation to the target for the renewal of the ISO 37001 certification on the management system for the prevention of and fight against corruption for the following consolidated companies of the Group: Italgas SpA, Italgas Reti, Geoside, Bludigit, Medea, Nepta, Toscana Energia, Enaon e Enaon EDA, as well as the investee Metano Sant'Angelo Lodigiano. The verification

¹⁴⁵ Invoices for this category of suppliers make up about 74% of annual invoices for Group companies in terms of value. The terms of payment of the remaining invoices are governed by their specific contractual terms.

¹⁴⁶ The accounts payable cycle management procedure and the standard herein applies without distinction to large enterprises and SMEs. This amount was calculated on the basis of the extraction from accounting systems of payables paid in FY2024 by Group companies, as the average number of differences between the dates of invoices and the break-even date, i.e., the date of payment of invoices.

for the renewal of the certification is carried out every 3 years by an external certification body. In 2025, ISO 37001 anti-corruption certifications were kept for all the companies listed above.

Each year, Italgas has its management system for the prevention of and fight against corruption submitted for the maintenance of ISO 37001:2016 certification, which it has now obtained. The actions undertaken involve all company processes and stakeholders, guaranteeing the effective implementation of the management system for the prevention of and fight against corruption within the territory in which the Group operates.

The financial resources (OpEx), committed in 2025 and for future years to preventing and combating corruption, amount to an average of approximately 630 thousand euro annually. This figure includes the labour costs of the Compliance & Anti-Corruption Departments and the related departmental budget.

Certification in sustainability reporting pursuant to Article 81-ter, subsection 1, of the Consob Regulation no. 11971 of 14 May 1999 as amended and supplemented

1. Pursuant to Article 154-bis, subsection 5-ter, of Legislative Decree 58 of 24 February 1998, the undersigned Paolo Gallo and Gianfranco Amoroso, as Chief Executive Officer and Officer responsible for the preparation of financial reports of the Italgas Group respectively, certify that the sustainability report included in the Directors' report has been prepared:

a) in accordance with the reporting standards applied pursuant to Directive 2013/34/EU of the European Parliament and of the Council of 26 June 2013 and Legislative Decree no. 125 of 6 September 2024;

b) with the specifications adopted pursuant to Article 8, subsection 4 of Regulation (EU) 2020/852 of the European Parliament and of the Council of 18 June 2020.

2. In this regard, no significant facts of note emerged.

Date: 3 March 2026

Chief Executive Officer

Paolo Gallo

The officer responsible for the preparation of
financial reports

Gianfranco Maria Amoroso

Independent Auditors' Report



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INDEPENDENT AUDITOR'S REPORT ON THE CONSOLIDATED SUSTAINABILITY STATEMENT PURSUANT TO ARTICLE 14-BIS OF LEGISLATIVE DECREE No. 39 OF JANUARY 27, 2010

To the Shareholders of
Italgas S.p.A.

Conclusion

Pursuant to artt. 8 and 18, paragraph 1 of Legislative Decree no. 125 of September 6, 2024 (hereinafter also the "Decree"), we have carried out a limited assurance engagement on the consolidated sustainability statement of the Italgas Group (hereinafter also the "Group") for the year ended on December 31, 2025, prepared pursuant to Art. 4 of the Decree, included in the specific section of the management report.

Based on the work performed, nothing has come to our attention that causes us to believe that:

- the consolidated sustainability statement of the Italgas Group for the year ended on December 31, 2025 is not prepared, in all material respects, in accordance with the reporting principles adopted by the European Commission pursuant to the Directive (EU) 2013/34/EU (European Sustainability Reporting Standards, hereinafter also "ESRS");
- the information included in the paragraph "7.2 Environmental information - Disclosure pursuant to Article 8 of Regulation (EU) 2020/852 (Taxonomy Regulation)" of the consolidated sustainability statement is not prepared, in all material respects, in accordance with art. 8 of Regulation (EU) No. 852 of June 18, 2020 (hereinafter also the "Taxonomy Regulation").

Basis for conclusion

We conducted the limited assurance engagement in accordance with the assurance standard of the sustainability report - "Principio di Attestazione della Rendicontazione di Sostenibilità - SSAE (Italia)". The procedures in a limited assurance engagement vary in nature and timing from, and are less in extent for, a reasonable assurance engagement. Consequently, the level of assurance obtained in a limited assurance engagement is substantially lower than the level of assurance that would have been obtained had we performed a reasonable assurance engagement.

Ancona Bari Bergamo Bologna Brescia Cagliari Firenze Genova Milano Napoli Padova Parma Roma Torino Treviso Udine Verona

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Our responsibilities pursuant to that standard are further described in the paragraph *Auditor's responsibilities for the limited assurance of the consolidated sustainability statement* of this report.

We are independent in accordance with the independence and other ethical requirements applicable under Italian law to the limited assurance engagement of the consolidated sustainability statement.

Our firm applies International Standard on Quality Management (ISQM Italia) 1, which requires the firm to design, implement and operate a system of quality management including policies or procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

We believe that the evidence obtained is sufficient and appropriate to provide a basis for our conclusion.

Responsibility of the Directors and the Board of Statutory Auditors of Italgas S.p.A. for the consolidated sustainability statement

The Directors are responsible for developing and implementing the procedures performed to identify the information reported in the consolidated sustainability statement in accordance with the ESRS (hereinafter the "double materiality assessment process") and for disclosing this process in paragraph "7.1 General information - ESRS 2 - General disclosures - Description of processes to identify and assess material impacts, risks and opportunities (IRO-1)" of the consolidated sustainability statement.

The Directors are also responsible for the preparation of the consolidated sustainability statement, which includes the information identified as part of the double materiality assessment process, in accordance with the requirements of Art. 4 of the Decree, including:

- compliance with ESRS
- compliance of the information included in the paragraph "7.2 Environmental information - Disclosure pursuant to Article 8 of Regulation (EU) 2020/852 (Taxonomy Regulation)" with art. 8 of the Taxonomy Regulation.

Such responsibility involves designing, implementing and maintaining, within the terms established by the law, such internal control that the Directors determine necessary to enable the preparation of the consolidated sustainability statement in accordance with the requirements of the art. 4 of the Decree that is free from material misstatements, whether due to fraud or error. Furthermore, the abovementioned responsibility involves the selection and application of appropriate methods in elaborating information and making assumptions and estimates about specific sustainability information that are reasonable in the circumstances.



The Board of Statutory Auditors is responsible for overseeing, within the terms established by law, the compliance with the provisions set out in the Decree.

Inherent limitations in the preparation of the consolidated sustainability statement

In reporting forward looking information in accordance with ESRS, the Directors are required to prepare the forward looking information on the basis of assumptions, as described in the consolidated sustainability statement, regarding events that may occur in the future and possible future actions of the Group, as indicated in the paragraph “7.1 General information - ESRS 2 - General disclosures - General basis for preparation of sustainability statements and disclosures in relation to specific circumstances (BP-1, BP-2)”. Due to the inherent uncertainty regarding any future event, including whether these events will take place and their extent and timing, the variances between actual outcomes and forward looking information could be significant.

The information provided by the Group regarding Scope 3 emissions is subject to greater inherent limitations compared to those related to Scope 1 and 2 emissions. This is due to the lower availability and relative accuracy of the data used to define the information on Scope 3 emissions, both quantitative and qualitative, in relation to the value chain.

Auditor’s responsibilities for the limited assurance of the consolidated sustainability statement

Our objectives are to plan and perform procedures to obtain limited assurance about whether the consolidated sustainability statement is free from material misstatements, whether due to fraud or error, and to issue an assurance report that includes our conclusion. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, could influence the decisions of users taken on the basis of consolidated sustainability statement.

As part of the limited assurance engagement in accordance with the Principio di Attestazione della Rendicontazione di Sostenibilità - SSAE (Italia), we exercise professional judgment and maintain professional skepticism throughout the engagement.

Our responsibilities include:

- considering risks to identify and assess the disclosure where a material misstatement is likely to arise, either due to fraud or error;
- designing and performing procedures to verify disclosures in the sustainability statement where material misstatements are likely to arise. The risk of not detecting a material misstatement due to fraud is higher than the risk of not identifying a material misstatement due to error, as fraud may involve collusion, falsifications, intentional omissions, misrepresentations, or the override of internal control;
- the direction, supervision and performance of the limited assurance engagement of the consolidated sustainability statement. We remain solely responsible for the conclusion on the consolidated sustainability statement.



Summary of the work performed

A limited assurance engagement involves performing procedures to obtain evidence as the basis for expressing our conclusion.

The procedures performed on the consolidated sustainability statement are based on our professional judgement and included inquiries, primarily with the personnel of the Group responsible for the preparation of information included in the consolidated sustainability statement, analysis of documents, recalculations and other procedures aimed to obtain evidence as appropriate.

Specifically, we performed the following main procedures partly in a preliminary phase before year end and then in a final phase up to the date of issuance of this report:

- understanding the business model, the Group's strategies and the context in which the Group operates with reference to sustainability matters;
- understanding the processes underlying the generation, collection, and management of qualitative and quantitative information included in the consolidated sustainability statement, including an analysis of the reporting perimeter;
- understanding the process carried out by the Group for the identification and evaluation of material impacts, risks and opportunities, based on the principle of double materiality, with reference to sustainability matters;
- identification of the information where a risk of material misstatement is likely to arise, taking into considerations, among others, risk factors related to the generation and collection of the information, to the estimates and to the complexity of the relevant calculation methods, as well as qualitative and quantitative factors related to the nature of such information;
- design and performance of procedures, based on the professional judgment of the auditor of the consolidated sustainability report, to respond to identified risks of material misstatement also with the support of Deloitte network specialists, in particular with reference to specific environmental information;
- understanding of the process set up by the Group to identify eligible economic activities and determine their aligned nature according to the requirements of the Taxonomy Regulation, and verifying the related information included in the consolidated sustainability statement;
- comparison of the information reported in the consolidated sustainability statement with the information included in the consolidated financial statements pursuant to the applicable financial reporting framework, or with the accounting data used for the preparation of the financial statements, or with the management data having an accounting nature;



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- verification of the structure and presentation of the information included in the consolidated sustainability statement in accordance with ESRS, including the information related to the materiality assessment process;
- obtaining the representation letter.

DELOITTE & TOUCHE S.p.A.

Signed by
Paola Mariateresa Rolli
Partner

Milan, March 20, 2026

This independent auditor's report has been translated into the English language solely for the convenience of international readers. Accordingly, only the original text in Italian language is authoritative.

CONSOLIDATED FINANCIAL STATEMENTS

Consolidated Statement of Financial Position

		As of 31 December 2024		As of 31 December 2025	
(€ thousands)	Notes	Total	of which, related parties	Total	of which, related parties
ASSETS					
Cash and cash equivalents	(7)	402,662		531,933	
Current financial assets	(8)	3,592	2,125	4,004	2,890
Trade and other receivables	(9)	905,092	234,138	1,407,264	372,435
Inventories	(10)	57,232		74,719	
Current tax receivables	(11)	0		589	
Other current financial assets	(20)	5,878		4,547	
Other current non-financial assets	(12)	232,559	288	284,674	1,961
Total current assets		1,607,015		2,307,730	
Property, plant and equipment	(13)	383,327		488,059	
Intangible assets	(14)	8,833,270		14,735,723	
Investments accounted for using the equity method	(15)	155,715		166,778	
Non-current financial assets	(16)	339,747	1,570	349,295	23,185
Non-current tax receivables	(11)	17,612		20,360	
Other non-current financial assets	(20)	10,982		8,730	
Other non-current non-financial assets	(12)	619,322	406	546,613	524
Total non-current assets		10,359,975		16,315,558	
Assets held for sale	(17)	5,351		246,741	
TOTAL ASSETS		11,972,341		18,870,029	
LIABILITIES AND EQUITY					
Current financial liabilities	(18)	980,569	4,580	975,322	4,227
Trade and other payables	(19)	1,184,609	64,410	1,775,822	86,625
Current tax liabilities	(11)	25,562		2,569	
Other current financial liabilities	(20)	0	0	87	0
Other current non-financial liabilities	(21)	14,063	1,093	45,653	9,585
Total current liabilities		2,204,803		2,799,453	
Non-current financial liabilities	(18)	6,205,299	141,566	10,440,320	266,442
Provisions for risks and charges	(22)	92,122		120,390	
Provisions for employee benefits	(23)	61,279		80,450	
Deferred tax liabilities	(24)	48,345		12,243	
Other non-current non-financial liabilities	(21)	566,985		1,239,638	
Total non-current liabilities		6,974,030		11,893,041	
Liabilities directly associated with non-current assets		0	0	11,584	0
TOTAL LIABILITIES		9,178,833		14,704,078	
EQUITY	(25)				
Share capital		1,003,844		1,257,355	
Other reserves		175,584		940,449	
Retained earnings		799,635		948,789	
Profit for the year		478,854		672,320	
Equity attributable to the Owners of the parent company		2,457,917		3,818,913	
Non-controlling interests		335,591		347,038	
TOTAL EQUITY		2,793,508		4,165,951	
TOTAL LIABILITIES AND EQUITY		11,972,341		18,870,029	

The accompanying notes are an integral part of these Consolidated Financial Statements

ITALGAS CONSOLIDATED FINANCIAL REPORT AS AT 31 DECEMBER 2025 - FINANCIAL STATEMENTS

Consolidated Income Statement

(€ thousands)	Notes	For the year ended 31 December 2024		For the year ended 31 December 2025	
		Total	of which, related parties	Total	of which, related parties
Revenues		2,478,644	744,304	3,508,303	1,008,788
Other income		60,792	6,835	80,846	9,542
Total revenues and other income	(27)	2,539,436		3,589,149	
Costs for raw materials, consumables, supplies and goods		(168,459)	(6,622)	(190,307)	(8,246)
Costs for services		(604,545)	(10,198)	(860,849)	(13,706)
Lease expenses		(102,496)	(1,235)	(153,106)	(2,700)
Personnel costs		(285,133)		(401,081)	
Impairment of trade receivables net		822		(2,605)	
Other expenses		(60,921)	(86,154)	(76,963)	(104,544)
Total costs and other expenses	(28)	(1,220,732)		(1,684,911)	
Amortisation, depreciation and impairment of assets	(29)	(536,555)		(693,087)	
Operating result		782,149		1,211,151	
Financial expense		(149,566)	(1,171)	(257,309)	(5,477)
Financial income		28,521	253	21,424	1,549
Gain/(loss) on derivative financial instruments measured at fair value		379		(493)	
Total net financial expense	(30)	(120,666)		(236,378)	
Share of the profit of investments in associates/joint ventures		9,945	9,945	8,701	8,701
Other income (expense) from equity investments		1,264		2,188	
Total net income from equity investments	(31)	11,209		10,889	
Profit before taxes		672,692		985,662	
Income taxes	(32)	165,257		279,867	
Profit for the year		507,435		705,795	
Attributable to:					
Owners of the parent company		478,854		672,320	
Non-controlling interests		28,581		33,475	
Earnings per share (€ per share)	(33)				
- basic and diluted from continuing operations		0.59		0.73	
- total basic and diluted		0.59		0.72	

The accompanying notes are an integral part of these Consolidated Financial Statements

Consolidated Statement of Comprehensive Income

(€ thousands)	For the year ended 31 December 2024	For the year ended 31 December 2025
Profit for the year	507,435	705,795
Other comprehensive income		
<i>Components that may be reclassified subsequently to the income statement:</i>		
Fair value gain/(loss) arising from hedging instruments during the period	(13,543)	(3,178)
Tax effect	3,251	763
Total components that may be reclassified subsequently to the income statement	(10,292)	(2,415)
<i>Components that will not be reclassified to the income statement:</i>		
Actuarial gains (losses) from remeasurement of defined benefit plans for employees	(626)	(1,008)
Change in fair value of investments measured at FVTOCI	112	(1,359)
Tax effect	142	665
Total components that will not be reclassified to the income statement	(372)	(1,702)
Total other components of comprehensive income, net of tax effect	(10,664)	(4,117)
Total comprehensive income for the year	496,771	701,678
Attributable to Owners of the parent company	467,371	668,204
Attributable to non-controlling interests	29,400	33,474

ITALGAS CONSOLIDATED FINANCIAL REPORT AS AT 31 DECEMBER 2025 - FINANCIAL STATEMENTS

Consolidated Statement of changes in Equity

	Share capital	Consolidation reserve	Share premium reserve	Legal reserve	Reserve for defined benefit plans for employees, net of tax effect	Fair value reserve for cash flow hedge derivatives, net of tax effect	Reserve for business combinations under common control	Stock grant reserve	Fair value valuation reserve for equity investments	Other reserves	Retained Earnings	Profit for the year	Equity attributable to owners of the parent company	Non-controlling interests	Total equity
(€ thousands)															
Balance as of 1 January 2023 (a) (Note 25)	1,003,228	(323,907)	626,252	200,646	(7,024)	22,683	(349,839)	9,417	238	13,063	645,747	439,568	2,280,072	320,672	2,600,744
2024 profit for the year												478,854	478,854	28,581	507,435
Other components of comprehensive income:															
Components that may be reclassified subsequently to the income statement:															
-Fair value gain/(loss) arising from hedging instruments during the period, net of tax effect						(11,159)							(11,159)	867	(10,292)
Components will not be reclassified to the income statement:															
- Actuarial gains (losses) from remeasurement of defined benefit plans for employees, net of tax effect					(405)								(405)	(48)	(453)
- Change in fair value of investments measured at FVTOCI, net of tax effect									81				81		81
Total comprehensive income 2024 (b)					(405)	(11,159)			81			478,854	467,371	29,400	496,771
Transactions with shareholders:															
- Allocation of 2023 profit for the year				123							439,445	(439,568)			
- Dividends to Owners of the parent company											(285,557)		(285,557)		(285,557)
- Dividends to non-controlling interests														(14,179)	(14,179)
- Change in Stock grant reserve	616		2,143					(1,185)		(616)			958		958
- Change in scope of consolidation													0	668	668
Total transactions with shareholders (c)	616		2,143	123				(1,185)		(616)	153,888	(439,568)	(284,599)	(13,511)	(298,110)
Other changes in shareholders' equity (d)										(4,927)			(4,927)	(970)	(5,897)
Balance as at of 31 December 2024 (e=a+b+c+d) (Notes 25)	1,003,844	(323,907)	628,395	200,769	(7,429)	11,524	(349,839)	8,232	319	7,520	799,635	478,854	2,457,917	335,591	2,793,508

ITALGAS CONSOLIDATED FINANCIAL REPORT AS AT 31 DECEMBER 2025 - FINANCIAL STATEMENTS

	Share capital	Consolidation reserve	Share premium reserve	Legal reserve	Reserve for defined benefit plans for employees, net of tax effect	Fair value reserve for cash flow hedge derivatives, net of tax effect	Reserve for business combinations under common control	Stock grant reserve	Fair value valuation reserve for equity investments	Other reserves	Retained Earnings	Profit for the year	Equity attributable to owners of the parent company	Non-controlling interests	Total equity
(€ thousands)															
Balance as of 1 January 2024 (a) (note 25)	1,003,844	(323,907)	628,395	200,769	(7,429)	11,524	(349,839)	8,232	319	7,520	799,635	478,854	2,457,917	335,591	2,793,508
2025 profit for the year												672,320	672,320	33,475	705,795
Components that may be reclassified subsequently to the income statement:															
-Fair value gain/(loss) arising from hedging instruments during the period, net of tax effect															
Components will not be reclassified to the income statement:															
- Actuarial gains (losses) from remeasurement of defined benefit plans for employees, net of tax effect						(2,415)							(2,415)	0	(2,415)
- Change in fair value of investments measured at FVTOCI, net of tax effect					(722)								(722)	(1)	(723)
Components that may be reclassified subsequently to the income statement: reclassifiable to the income statement:									(979)				(979)		(979)
Total comprehensive income 2025 (b)					(722)	(2,415)			(979)			672,320	668,204	33,474	701,678
Transactions with shareholders:															
- Allocation of 2024 profit for the year				127							478,727	(478,854)			
- Dividends to Owners of the parent company											(329,573)		(329,573)		(329,573)
- Capital contribution from non-controlling interests	251,644		753,161										1,004,805		1,004,805
- Dividends to non-controlling interests														(22,393)	(22,393)
- Change in Stock grant reserve	634		2,312					2,770					5,716		5,716
- Change in employee share ownership plan	1,233		6,703							411			8,347		8,347
- Change in scope of consolidation														1,742	1,742
Total transactions with shareholders (c)	253,511		762,176	127				2,770		411	149,154	(478,854)	689,295	(20,651)	668,644
Other changes in shareholders' equity (d)			(2,999)							6,496			3,497	(1,376)	2,121
Balance as of 31 December 2025 (e=a+b+c+d) (Notes 25)	1,257,355	(323,907)	1,387,572	200,896	(8,151)	9,109	(349,839)	11,002	(660)	14,427	948,789	672,320	3,818,913	347,038	4,165,951

ITALGAS CONSOLIDATED FINANCIAL REPORT AS AT 31 DECEMBER 2025 – NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

Consolidated Statement of Cash Flow

(€ thousands)	Note	For the year ended 31 December 2024	For the year ended 31 December 2025
Profit for the year		507,435	705,795
Adjustments for:			
Amortisation, depreciation and impairment of assets	(29)	536,555	693,087
Share of the profit of investments in associates/joint ventures		(9,945)	(8,701)
Other income from equity investments (net of dividends received)		(1,264)	(2,188)
Stock grant		(931)	7,610
(Gains)/Losses arising from the disposal of non-current assets		37,868	38,833
Financial income		(28,900)	(20,931)
Financial expense		149,547	257,309
Income taxes	(32)	165,257	279,867
Change in provisions for employee benefits		(7,094)	(13,502)
Changes in working capital:			
- Inventories		25,952	(2,501)
- Trade receivables		(191,383)	(103,065)
- Trade payables		(43,114)	12,212
- Provisions for risks and charges		(19,955)	(39,682)
- Other assets		121,761	84,773
- Other liabilities		(22,481)	173,282
Dividends cashed in		961	1,150
Financial income collected		13,646	6,437
Financial expense paid		(107,364)	(180,823)
Income taxes paid, net of tax credits reimbursed		(27,836)	(263,899)
Net cash flow from operating activities		1,098,715	1,625,063
<i>of which, related parties</i>	(36)	<i>805,594</i>	<i>1,011,817</i>
Investments:			
- Property, plant and equipment		(33,489)	(43,027)
- Intangible assets		(859,179)	(1,044,274)
- Business combinations, net of cash acquired		51,231	(2,062,801)
- Equity investments		(15,810)	(4,835)
- Change in financial receivables instrumental to operating activities		(16,589)	(3,782)
- Change in financial receivables not instrumental to operating activities		0	(45)
- Change in payables for investments		36,967	(15,406)
Disinvestments:			
- Beni disponibili per la vendita			3,016
- Property, plant and equipment		3,323	2,083
- Intangible assets		11,158	75
- Equity investments		2,256	0
- Change in receivables for disinvestments		10,998	0
Net cash flow used in investing activities		(809,134)	(3,168,996)
Proceeds from non-current financial debt		1,167,540	2,407,712
Repayment of non-current financial debt		(982,774)	(1,324,539)
Increase in current financial debt		11,672	(15,363)
Apporti di capitale da terzi		0	999,378
Proceeds from financial asset		656	1,439
Dividends paid		(299,837)	(348,718)
Repayment of lease liabilities		(34,139)	(46,705)
Net cash flow from/ (used in) financing activities		(136,882)	1,673,204
<i>of which, related parties</i>	(36)	<i>31,263</i>	<i>(5,526)</i>
Net cash flow for the year		152,699	129,271
Opening cash and cash equivalents	(7)	249,963	402,662
Closing cash and cash equivalents	(7)	402,662	531,933

Notes to the Consolidated Financial Statements

Company Information

The Italgas Group, comprising the parent company Italgas S.p.A. and its subsidiaries (collectively referred to as “Italgas”, “Italgas Group” or “Group”), operates in the regulated activities of natural gas distribution, water services and energy efficiency.

Italgas S.p.A. is a joint stock company incorporated under Italian law and listed on the Milan Stock Exchange, with registered offices in Milan, via Carlo Bo 11.

CDP S.p.A. has “de facto” control over Italgas S.p.A. pursuant to the accounting principle IFRS 10 “Consolidated Financial Statements”.

As December 31, 2025, CDP S.p.A. holds, directly through CDP Reti S.p.A.¹⁴⁷ 25.9% stake in Italgas S.p.A. and, indirectly through Snam S.p.A., a 3.57% stake.

The parent company, Italgas S.p.A., is not subject to direction and coordination activities. Italgas S.p.A. exercises direction and coordination activities over its subsidiaries pursuant to Articles 2497 et seq. of the Italian Civil Code.

1) Basis of preparation

The Consolidated Financial Statements have been prepared in accordance with the IFRS Accounting Standards (“IFRS”) issued by the International Accounting Standards Board (“IASB”) and adopted by the European Commission according to the procedure pursuant to Article 6 of (EC) Regulation no. 1606/2002 of the European Parliament and of the Council of 19 July 2002 and pursuant to Article 9 of Legislative Decree no. 38/2005. The IFRS also include the International Accounting Standards (“IAS”) as well as the interpretive documents still in force issued by the IFRS Interpretations Committee (“IFRS IC”), including those previously issued by the International Financial Reporting Interpretations Committee (“IFRIC”) and, before that, by the Standing Interpretations Committee (“SIC”).

In the 2025 Consolidated Financial Statements, the same consolidation principles and valuation criteria as the previous year are applied, except for the international accounting standards that came into effect on 1 January 2025, as detailed in the following section “Accounting principles and interpretations applicable from 2025” of these Consolidated Financial Statements.

The Consolidated Financial Statements are prepared on a going-concern basis, using the historical cost method, considering, where appropriate, value adjustments with the exception of the items which, according to IFRS, must be measured at *fair value*, as described in the valuation criteria.

Consolidated Financial Statements as at 31 December 2025 were approved and authorised for publication by the Board of Directors of Italgas S.p.A. in the meeting of 03 March 2026. The Italgas S.p.A. Consolidated Financial Statements as at 31 December 2025 are subjected to audit by Deloitte & Touche S.p.A..

The Consolidated Financial Statements are presented in Euro. Amounts in the Consolidated Financial Statements and related Notes, considering their significance, are expressed in thousands of Euro, unless otherwise indicated.

Certain information contained in the Notes to the Consolidated Financial Statements, when extracted from the XHTML format into an XBRL instance document, due to certain technical limitations, may not be reproduced identically to the corresponding information displayed in the Consolidated Financial Statements in XHTML format.

Accounting standards, amendments and interpretations issued by the IASB (International Accounting Standards Board), approved by the European Union (EU) that came into effect on 1 January 2025

On 1 January 2025, “Amendments to IAS 21 – Lack of Exchangeability”, published by the IASB on 15 August 2023, came into effect in the European Union. The amendment introduces consistent criteria to assess whether a currency is exchangeable and, if not, to determine the exchange rate to apply, and the information to provide in the explanatory notes. The adoption of these amendment had no effect on the Consolidated Financial Statements of the Group.

¹⁴⁷CDP S.p.A. holds 59.10%.

ACCOUNTING STANDARDS, AMENDMENTS AND INTERPRETATIONS OF IFRS ACCOUNTING STANDARDS ENDORSED BY THE EUROPEAN UNION, NOT YET EFFECTIVE AND NOT EARLY ADOPTED BY THE GROUP AS AT 31 DECEMBER 2025

At the date of this document, the following measures have been endorsed by the EU, but are not yet effective nor early adopted by the Group.

Amendments to IFRS 9 and IFRS 7 – Classification and Measurement of Financial Instruments (30 May 2024). The amendments clarify aspects that arose from the post-implementation review of IFRS 9, with a particular focus on: (i) the classification of financial liabilities with returns linked to ESG targets and criteria for passing the SPPI test; (ii) the settlement date for liabilities settled through electronic payment systems, with the possibility to bring forward derecognition in the presence of specific conditions; (iii) the introduction of new disclosure requirements, in particular for investments in equity instruments designated at FVOCI.

Amendments to Contracts Referencing Nature-Dependent Electricity – IFRS 9 and IFRS 7 (18 December 2024). The amendments address the accounting of renewable power purchase agreements characterised by variable quantities dependent on natural factors. In particular: (i) they clarify the application of the “own-use” requirement; (ii) they define criteria for qualification as hedging instruments; (iii) they introduce new disclosures on financial effects and cash flows.

Annual Improvements – Volume 11 (18 July 2024). The document introduces clarifications, simplifications and corrections to improve the consistency of application of the IFRS, involving IFRS 1; IFRS 7; IFRS 9; IFRS 10 and IAS 7.

IFRS 18 – Presentation and Disclosure in Financial Statements (9 April 2024, approved by the European Commission under Regulation (EU) 2026/338 of 13 February 2026). The new standard will replace IAS 1 and aims to improve the presentation of financial statements, in particular the income statement, by introducing: (i) three new sections (operating, investment, financial); (ii) new mandatory subtotals (operating result and EBIT); (iii) more information about management-defined performance indicators; (iv) new criteria for aggregation and disaggregation; (v) changes to the statement of cash flow, including the elimination of certain classification options.

Entry into force from 1 January 2027, with early application permitted.

The administrators are currently assessing the possible effects of introducing the new principles.

IFRS ACCOUNTING STANDARDS, AMENDMENTS AND INTERPRETATIONS NOT YET ENDORSED BY THE EUROPEAN UNION

At the reporting date, the following standards are not yet endorsed by the EU.

IFRS 19 – Subsidiaries without Public Accountability: Disclosures (9 May 2024, amended on 21 August 2025). The standard introduces disclosure simplifications for subsidiaries that: (i) do not have listed instruments; (ii) belong to groups that prepare IFRS consolidated financial statements.

Entry into force from 1 January 2027.

IFRS 14 – Regulatory Deferral Accounts (30 January 2014). The standard allows exclusively first-time adopters of IFRS to continue reporting regulatory assets and liabilities according to previous accounting standards.

The administrators are currently assessing the possible effects of introducing the new principles.

Other IFRS updates

IFRS Accounting Taxonomy 2025

On 27 March 2025, the IFRS Foundation published the IFRS Accounting Taxonomy 2025, which updates digital reporting including: (i) the new requirements of IFRS 18; (ii) the changes to nature-dependent electricity contracts; (iii) the amendments to IFRS 9, IFRS 7 and the Annual Improvements.

The administrators are currently assessing the possible effects of introducing the new principles.

2) Financial Statements

The formats adopted for the preparation of the financial statements are consistent with the provisions of IAS 1 - “Presentation of financial statements” (“IAS 1”). In particular:

ITALGAS CONSOLIDATED FINANCIAL REPORT AS AT 31 DECEMBER 2025 – NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

- the Consolidated Statement of Financial Position items are broken down into assets and liabilities, and then further into “current or non-current items¹⁴⁸”;
- the Consolidated Income Statement classifies costs by nature, since this is deemed to be the best way of representing the Group’s operations and it is in line with international best practice;
- the Consolidated Statement of Comprehensive Income shows the profit or loss in addition to the income and expense recognised directly in equity as expressly provided for by the IFRS;
- the Consolidated Statement of changes in Equity reports the total income (expense) for the financial year, shareholder transactions and the other changes in equity;
- the Consolidated Statement of Cash Flows is prepared using the “indirect” method, adjusting the profit for the year for non-monetary components.

It is believed that these statements adequately represent the Group’s situation with regard to its Statement of Financial Position, Income Statement and Statement of Cash Flows.

With regard to the Consob Resolution no. 15519 of 28 July 2006, the balances of receivables/payables and transactions with related parties, described in more detail in the note “Related party transactions”, are shown separately in the Consolidated Financial Statements.

3) Consolidation principles

The Consolidated Financial Statements include the financial statements of Italgas S.p.A. and those of the entities over which the Company has the right to exercise direct or indirect control, as defined by IFRS 10 – “Consolidated Financial Statements”. Specifically, control exists where the controlling entity simultaneously:

- has the power to make decisions concerning the affiliate;
- is entitled to receive a share of or is exposed to the variable profits and losses of the affiliate;
- is able to exercise power over the affiliate in such a way as to affect the amount of its economic returns.

The Group reassesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control listed above.

Subsidiaries, joint ventures, associates and other significant equity investments are indicated separately in the Appendix “Subsidiaries, associates and equity investments of Italgas S.p.A. as at 31 December 2025”, which is an integral part of these notes.

All financial statements of consolidated companies close at 31 December and are presented in Euro.

Companies included in the scope of consolidation

Subsidiaries are fully consolidated on a line-by-line basis (“*full consolidation*”) from the date the Company obtains control (either directly or indirectly) and are deconsolidated from the date the Company loses control. In the event of loss of control, the Group derecognises the assets (including goodwill) and liabilities of the subsidiary, any non-controlling interests and other equity components related to the subsidiary and recognises the *fair value* of any consideration received for the transaction. Any investment held in the previously subsidiary is measured at *fair value* on the date control is lost.

The equity shares and profit or loss attributable to non-controlling interests are separately recorded in specific items of Equity, Income Statement and Statement of Comprehensive Income.

Changes in the equity investments held (either directly or indirectly) by the Company in subsidiaries that do not result in a change in the qualification of the investment as a subsidiary are recorded as equity transactions.

The carrying amount of the equity attributable to the owners of the parent company and attributable to non-controlling interests are adjusted to reflect the change in the equity investment. The difference between the carrying amount of non-controlling interests and the *fair value* of the consideration paid or received is recorded directly under equity attributable to owners of the parent company.

Otherwise, the sale of interests that result in the loss of control leads to recognition in the income statement of: (i) any gains or losses calculated as the difference between the consideration received and the corresponding portion of equity sold; (ii) the effect of the revaluation of any remaining equity investment held to align it with its *fair value*; and (iii) any amounts recorded in other components of comprehensive income related to the former subsidiary, for which reversal to the income statement is required. The *fair value* on the date of loss of control of any remaining equity investment held represents the new carrying amount of the equity investment, and, therefore, the value for the subsequent valuation of the equity investment according to the applicable valuation criteria.

¹⁴⁸ The assets and liabilities are classified as current if: (i) their realisation/settlement is expected in the company’s normal operating cycle or within twelve months after the financial year-end; (ii) they are composed of cash or cash equivalents which do not have restrictions on their use over the twelve months following the year-end date; (iii) they are mainly held for trading purposes; or (iv) with reference to liabilities, the company does not have the unconditional right to defer settlement of the liability for at least twelve months from the financial year closing date.

ITALGAS CONSOLIDATED FINANCIAL REPORT AS AT 31 DECEMBER 2025 – NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

All intra-group balances and transactions, including any unrealised gains and losses on intra-group transactions, are eliminated in the preparation of the Consolidated Financial Statements.

Investments in associates and joint ventures

An associate is an affiliate over which the Group holds significant influence, meaning the power to participate in the determination of the financial and operating policies, but without having control or joint control¹⁴⁹. It is presumed that the investor has significant influence (unless proven otherwise) if it holds, directly or indirectly through subsidiaries, at least 20% of the exercisable voting rights.

A joint venture is a joint arrangement in which the parties holding joint control have rights to the net assets of the arrangement and, therefore, have an interest in the jointly controlled corporate vehicle.

The economic results and the assets and liabilities of associates and joint ventures are recognised, in the Consolidated Financial Statements, using the equity method, starting from the date the Group holds a significant influence or joint control, respectively, except in cases where they are classified as held for sale.

The Consolidated Financial Statements include the Group's share of profit or loss of subsidiaries recognized using the equity method until the date when significant influence or joint control ceases.

Business combinations

Business combinations are recognized using the acquisition method, as required by IFRS 3 - "Business Combinations". Accordingly, the consideration transferred in a business combination is determined as of the control acquisition date and is equal to the *fair value* of the transferred assets, the liabilities incurred or assumed, as well as any equity instruments issued by the acquirer. Directly attributable costs of the transaction are recognized to the income statement when incurred.

Goodwill arising from the acquisition of control of an equity investment or a business unit represents the excess of the acquisition cost (defined as the sum of the considerations transferred in the business combination) over the fair value of identifiable assets, liabilities and contingent liabilities of the acquired entity at the acquisition date. Any residual difference, if negative, is recognised in the income statement as a bargain purchase gain.

Any adjustments to goodwill may be recognised during the measurement period (which cannot exceed one year from the acquisition date) as a result of subsequent changes in the *fair value* of the contingent consideration or the determination of the fair value of assets and liabilities acquired, if these were provisionally recognised at the acquisition date and if such changes are determined as adjustments based on new information regarding facts and circumstances existing at the date of the business combination.

In the case of acquisition of a non-total controlling interest, the goodwill and, correspondingly, the share attributable to non-controlling interests may be determined at the acquisition date either based on the acquired percentage of control (the "*partial goodwill method*") or by measuring the share attributable to non-controlling interests at *fair value* (the "*full goodwill method*"). The choice of the goodwill determination method ("*Partial goodwill method*" or "*Full goodwill method*") is made selectively for each business combination.

If the cases of acquiring control in stages, the acquisition cost is determined by adding the *fair value* of the previously held equity investment in the acquired entity to the amount paid for the additional interest. The difference between the *fair value* of the previously held equity investment, re-measured at the acquisition date, and its carrying amount is recognised in the income statement. Upon the acquisition of the control, any components previously recorded in other comprehensive income are reclassified to the income statement or to another item of equity, if the reversal to the income statement is not required.

Business combinations involving entities under joint control

Business combinations involving companies that are ultimately controlled by the same company or companies before and after the business combination, where such control is not temporary, are classed as "*Business combinations of entities under common control*". These transactions are excluded from the scope of IFRS 3 and are not governed by other IFRS. In the absence of a specific accounting standard, the selection of the accounting principle for such transactions, where significant influence over future cash flows cannot be established, is guided by the principle of prudence, leading to the application of the continuity of values method for the acquired net assets. The assets are recognised at their carrying amount as reflected in the financial statements of the acquired companies before the transaction or, if available, at the values resulting from the consolidated financial statements of the common ultimate parent company. In relation to transfers of business under common control, the receiving entity must recognise the transferred business at its historical carrying

¹⁴⁹ Joint control is the contractual sharing of control pursuant to an agreement, which exists only where the unanimous consent of all the parties that share power is required for decisions relating to significant activities.

amount, increasing its equity by an equal amount. The transferring entity will symmetrically recognise the equity investment in the receiving entity for an amount equal to the increase in the equity of the latter. This accounting treatment is based on the Preliminary Guidelines on IFRS (OPI 1 Revised) - “Accounting treatment of business combinations of entities under common control in the separate and consolidated financial statements” issued by Assirevi in October 2016.

4) Material accounting policies

The most significant accounting policies adopted when preparing the Consolidated Financial Statements are described below.

Property, plant and equipment

Property, plant and equipment are recognised at the purchase or production cost, including directly attributable ancillary costs needed to make the assets available for use.

Property, plant and equipment may not be revalued, even through the application of specific laws.

Costs for improvements, upgrades and transformations that increase the value of property, plant and equipment are recognized as assets when it is probable that they will increase the future expected economic benefits. Replacement costs of identifiable components of complex assets are recognized as assets and depreciated over their useful life. The residual carrying amount of the replaced component is charged to the income statement. Ordinary maintenance and repair expenses are recognized to the income statement in the period when they are incurred.

If impairment indicators are present, the carrying amount of property, plant and equipment is tested for potential impairment (refer to the section “Impairment of property, plant and equipment and intangible assets with a finite useful life” for further details).

Rights of use

A contract is, or contains, a lease if it grants an entity the right to control the use of an identified asset for a certain period of time in exchange for a consideration.

For leases with a term over 12 months, (i) an asset, within the “Property, plant and equipment”, as the right of use of the asset and (ii) a financial liability, representing the obligation to make the lease payments envisaged by the contract, are recognised to the financial statements at the commencement date, when the asset is made available for use.

The cost of the asset consisting of right of use includes:

- a) the amount of the initial measurement of the lease liability;
- b) lease payments due on or before the commencement date, net of any lease incentives received;
- c) initial direct costs incurred;
- d) costs for dismantling and restoring the site.

Lease liabilities include the following payments for the right to use the underlying asset over the lease term that remain unpaid as at the commencement date:

- a) fixed payments, net of any lease incentives receivable;
- b) variable payments due for the lease that depend on an index or rate;
- c) amounts payable as residual value guarantees;
- d) the exercise price of the purchase option when it is the reasonably certain the option will be exercised;
- e) termination penalties when the lease is expected to be terminated.

The discount rate used is the implicit interest rate of the lease for the lease term. If this rate cannot be easily determined, the Group’s incremental borrowing rate, taking into account the frequency and payments under the lease agreement, is used.

After initial recognition, the right-of-use asset is systematically amortised over each period, at the lower of the lease term and the residual useful life of the underlying asset. Amortisation begins on the lease commencement date. In the event of impairment, regardless of the amortisation already recognized, the asset is written down in accordance with the criteria outlined in the Impairment of non-financial assets principle.

Lease term is calculated by considering the “non-cancellable” period, together with periods covered by an extension or early termination option, whose exercise is deemed reasonably certain using information available at the inception date. In significant changes occur in facts and circumstances under the Group’s control that would modify the assessment of the reasonable certainty of exercising the options, the Group will reassess the lease term.

As permitted by IFRS 16, the Group has applied the exemptions for short-term leases, i.e. leases with a duration of less than 12 months, and for leases related to assets of low value.

Depreciation of property, plant and equipment

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Property, plant and equipment are systematically depreciated on a straight-line basis over their useful life, defined as the period during which the asset is expected to be usable by the entity. Depreciation begins when the asset is available and ready for use.

The depreciable amount is represented by the carrying amount, reduced by the estimated net realisable value at the end of its useful life, if significant and reasonably determinable.

The table below shows the annual depreciation rates used for the current year, unchanged from the comparative year:

	Annual depreciation rate (%)
Land and building	
- Industrial buildings	2%
- Civil buildings	3%
Plant and equipment	
- Other plant and equipment	4% - 8.3%
Industrial and commercial equipment	
- Office furniture and machinery	10% - 33.3%
- Vehicles	20% - 25%
Rights of use	Depending on the term of the lease agreements

When an item included in “Property, plant and equipment” consists of several significant components with different useful lives, depreciation is applied to each component separately (“component approach”).

Land, even when purchased together with a building, construction in progress, advances and assets held for sale are not depreciated (for more details, refer to section “Assets held for sale”).

Depreciation rates are reviewed annually and adjusted if no longer appropriately reflect the expected future benefits. Any changes to the depreciation plan, resulting in a revision of the asset's useful life, its residual value or the method of obtaining economic benefits from the asset is recognised for prospectively.

Assets that can be freely transferred are depreciated over the term of the concession or the asset's useful life, if shorter.

Intangible assets

Intangible assets are assets without identifiable physical substance, but are identifiable, controlled by the company and capable of producing future economic benefits, as well as goodwill, when acquired for consideration. Intangible assets are recognised at the cost of purchase or internal production, when it is probable that their use will generate future economic benefits and their cost can be reliably determined.

Revaluations are not permitted, even under specific laws.

Development costs are recognised as intangible assets only when the Group can prove the technical feasibility of completing the intangible asset, as well as the ability, intention and availability of resources to complete the asset for use or sale. Research costs are recognised in the income statement.

Intangible assets with a defined useful life are measured at cost, net of accumulated amortisation and impairment losses.

Goodwill and other intangible assets with an indefinite useful life are not amortised but are tested for impairment at each reporting date, as required by IAS 36, to determine if any impairment losses need to be reflected in the financial statements.

Intangible assets are derecognised when the disposal of or when no future economic benefit is expected from their use; the related gain or loss is recognised in the income statement.

Service concession arrangements

Intangible assets include service concession agreements between the public and private sectors for the development, financing, management and maintenance of infrastructures under concession where the grantor: (i) controls or regulates the services provided by the operator through the infrastructure and the applicable price; and (ii) controls, through ownership, entitlement to benefits, or otherwise, any significant residual interest in the infrastructure at the end of the concession. The accounting provisions for the service concession agreements are applicable for the Italgas Group as a public service distributor of natural gas and other gases and the integrated water service or where Italgas Group is committed to providing the public service distribution of natural gas or the public water transport and distribution service at the tariff established in Italy by the Italian Regulatory Authority for Energy, Networks and Environment (ARERA) and in Greece by the Regulatory Authority for Energy Waste and Water (RAEWW or PAAEY, each separately or jointly “Authority”), holding the right to use the infrastructure, controlled by the grantor, to deliver the public service.

The Group applies the intangible asset model as provided by IFRIC 12 for accounting service concession agreements. The intangible asset is recognised at cost both at initial recognition and for subsequent

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recognition. Construction and improvements activities of network and other services are recognised and measured by applying IFRS 15.

Amortisation of intangible assets

Intangible assets with a defined useful life are amortised systematically over their useful life, defined as the period in which the asset is expected to be usable by the entity. Amortisation begins when the intangible asset is available for use.

The amount to be amortised is the carrying value, reduced by the estimated net realisable value at the end of its useful life if significant and reasonably determined.

The table below shows the annual amortisation rates used for the current year, unchanged from the comparative year:

	Annual depreciation rate (%)
Patent rights and intellectual property rights	20% - 33.3%
Concession expenses	Depending on the term of the agreement
Land and buildings (concession agreements)	
- Industrial buildings	1.67% - 5%
- Other constructions	9% - 10%
Plant and equipment (concession agreements)	
- Network	1.67% - 5%
- Principal and secondary facilities	4% - 6%
- Derivation plants	2% - 10%
Industrial and commercial equipment (concession agreements)	
- Metering and control equipment	6.7% - 20%

Grants

Capital grants granted by public authorities are recognised when there is reasonable certainty that the conditions set by the granting government agencies for their allocation will be met, and they are recognised as a reduction in the purchase price, contribution or production cost of the related assets.

Operating grants are recognised in the income statement on an accrual basis, consistent with the relative costs incurred.

Impairment of non-financial assets

Impairment of property, plant and equipment and intangible assets with a finite useful life

At least annually, property, plant and equipment and intangible assets with a finite useful life are assessed to verify the existence of internal and external indicators of potential impairment.

If these indicators are present, recoverability is tested by comparing the carrying amount with its recoverable amount, as the higher of the *fair value less costs to sell* (see section “Fair value measurement”) and the value in use.

The assessment is carried out for each individual asset or for the smallest identifiable group of assets which, through continuous use, generate cash inflows largely independent of those of other assets or groups of assets (“Cash-Generating Units” or “CGUs”).

The CGUs identified by the Group’s are as follows: Distribution and metering of natural and other gases (regulated activity), Distribution and metering of natural gas abroad (regulated activity), Integrated water service (regulated activity), Other activities (ESCos).

The recoverable amount of non-current non-financial assets that fall under the scope of regulated activities is determined by considering: (i) the amount quantified by the Authority based on the rules that define the tariffs for the provision of the services for which they are intended; (ii) the possible value that the Group expects to recover from their sale or at the end of the concession regulating the service; (iii) the value of the expected cash flows deriving from the use of the asset and, if significant and reasonably determined, from its sale at the end of its useful life, net of any disposal costs; these cash flows are discounted at a rate that reflects the current market conditions for the time value of money and specific risks of the asset not reflected in the estimated cash flows.

Similarly to what happens for the quantification of tariffs, the quantification of the recoverable amount of the assets within the scope of regulated activities is also based on the applicable current regulatory provisions.

The value in use of non-current non-financial assets not within the scope of the regulated activities is determined by discounting the expected cash flows resulting from the use of the asset and, if significant and

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reasonably determined, from its sale at the end of its useful life, net of any disposal costs. Cash flows are determined based on reasonable, documentable assumptions representing the best estimate of future economic conditions expected to occur during the remaining useful life of the asset, with a greater emphasis on outside information. Discounting is done using a rate reflecting current market conditions for the time value of money and specific risks of the asset not reflected in the estimated cash flows.

If the reasons for impairment no longer exist, assets are revised and the adjustment is recognised to the income statement. The adjustment is made at the lower of the recoverable amount and the carrying amount, gross of any previous impairments, reduced by the depreciation that would have been recognised if an impairment loss had not been recorded for the asset.

Impairment of goodwill, intangible assets with an indefinite useful life and intangible assets under construction

The recoverability of the carrying amount of goodwill, intangible assets with an indefinite useful life and intangible assets under construction is tested at least annually and whenever events occur that suggest a reduction in value. For goodwill, the test is performed at the level of the smallest group based on which the management evaluates, directly or indirectly, the return on investment, including goodwill itself. When the carrying amount of the CGU, including the goodwill allocated to it, exceeds the recoverable amount, the difference is the impairment, which is first allocated to goodwill up to its amount; any excess of the impairment over goodwill is allocated proportionally to the carrying amount of the assets which constitute the CGU. Goodwill impairment losses cannot be reversed.

Investments accounted for using the equity method

Investments in joint ventures and associates are accounted for using the equity method.

Under the equity method, investments in joint ventures and associates are initially recognised at cost and subsequently adjusted to account for: (i) the participant's share of the investee's profits or losses after the acquisition date, and (ii) the participant's share of other comprehensive income of the investee. Dividends paid out by the investee are recognised as a reduction of the carrying amount of the investment. For the application of the equity method, adjustments required for consolidation purposes are considered (see also the "Consolidation principles" section).

In the case of acquiring a joint control in successive stages, the cost of the equity investment is measured as the sum of the fair value of the previously held interests and the fair value of the consideration transferred at the date the equity investment is qualified as associated (or under joint control). The effect of revaluing the carrying amount of the equity interest held before assuming the joint control (or significant influence) is recognized in the income statement, including any components recognised in other comprehensive income. The sale of equity investments resulting in the loss of joint control or significant influence over the investee results in the recognition in the income statement: (i) any gains or losses calculated as the difference between the consideration received and the corresponding portion of the carrying amount of the disposed interest; (ii) the effect of revaluing any residual equity investment maintained, to align it with the relative fair value; and (iii) any amounts recognized in other comprehensive income relating to the equity investee that are required to be reclassified to the income statement. The value of any equity investment maintained, aligned with its fair value at the date of loss of joint control or significant influence, represents the new carrying amount and, therefore, the value for subsequent valuation according to the applicable valuation criteria.

If there is objective evidence of impairment, the recoverability of the amount recognised is tested by comparing the carrying amount with the related recoverable value determined using the criteria indicated in the section "Impairment of non-financial assets".

When the reasons for the impairment losses no longer exist, equity investments are revalued up to the amount of the impairment losses entered with the effect posted to the income statement under "Income (expense) from equity investments".

The parent company's share of any losses of the investee, exceeding the carrying amount of the equity investment, is recognised in a special provision to the extent that the parent company is committed to fulfilling its legal or constructive obligations of the investee or, otherwise, covering its losses.

Other minor equity investments

Financial assets representing other minor equity investments, not held for trading, are measured at *fair value* with the effects recognised in the income statement.

Inventories

Inventories, including meters, are recorded at the lower of cost or production cost and net realisable value, which is the amount that the entity expects to receive from their sale in the ordinary course of business.

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The cost of inventories is determined using the weighted average cost method.

The value of obsolete and slow-moving inventories is written down in relation to the possibility of use or realisation, through the allocation of a specific obsolescence fund.

Cash and cash equivalents

Cash and cash equivalents include cash on hand, on demand deposits, as well as other short-term financial assets with a maturity of no more than three months, readily convertible into cash and subject to a negligible risk of a change in their value.

They are recorded at their nominal value, which corresponds to the *fair value*.

Financial instruments

Financial instruments refer to any contracts that give rise to a financial asset for one entity and a financial liability or an equity instrument for another entity; they are recognised and measured in accordance with IAS 32 and IFRS 9.

Financial assets - debt instruments

Depending on the characteristics of the instrument and the business model adopted for its management, financial assets representing debt instruments are classified in the following three categories: (i) financial assets measured at amortised cost; (ii) financial assets measured at *fair value* with the effects recognised in the other comprehensive income ("OCI"); (iii) financial assets measured at *fair value* with the effects recognised in the income statement.

Initial recognition is at *fair value*; for trade receivables without a significant financial component, the initial carrying amount is represented by the transaction price.

Following initial recognition, financial assets that generate cash flows representing only payments of capital and interest are measured at amortised cost if held with the aim of collecting the contractual cash flows (so-called "*hold-to-collect*" business model). Based on the amortised cost method, the initial carrying amount is then adjusted to account for principal repayments, any impairment losses and the amortisation of the difference between the repayment amount and the initial carrying amount.

Amortisation is carried out using the effective internal interest rate, which represents the rate that would make equal, at initial recording, the present value of expected cash flows and the initial carrying amount.

Receivables and other financial assets measured at amortised cost are presented in the statement of financial position net of any provision for impairment losses.

Financial assets representing debt instruments where the business model provides both the possibility to collect contractual cash flows and realise capital gains through sales (so-called "*hold-to-collect-and-sell*" business model) are measured at *fair value* with the effects recorded on OCI ("FVTOCI").

In this case, the *fair value* changes of the instrument are recognised in equity under other comprehensive income. The cumulative amount of the *fair value* changes, recognised in the equity reserve for other comprehensive income, is reversed to the income statement upon the derecognition of the instrument. Interest income, calculated using the effective interest rate, exchange rate differences and impairment losses are recognised on the income statement.

A financial asset representing a debt instrument that is not measured at amortised cost or at FVTOCI is measured at *fair value* with the effects recognised in the income statement (FVTPL).

When the purchase or sale of financial assets is executed according to a contract that requires settlement and delivery of the asset within a certain number of days, set by the market control authorities or market agreements (e.g. purchase of securities on regulated markets), the transaction is recognised on the settlement date.

Disposals of financial assets are derecognised from the financial position when the contractual rights to receive the associated cash flows from the financial instrument expire or are transferred to third parties.

Impairment of financial assets

Recoverability of financial assets representing debt instruments, not measured at *fair value* with effects on the income statement, is measured on the basis of the so-called "*expected credit loss*" model.

In particular, expected losses are generally determined based on the product between: (i) the exposure to the counterparty net of the relevant guarantees ("Exposure At Default" or "EAD"); (ii) the probability that the counterparty does not meet its payment obligation ("Probability of Default" or "PD"); (iii) the estimated percentage of credit loss that will not be recovered in the event of default ("Loss Given Default" or "LGD"), defined based on past experience and potential recovery actions (e.g. out-of-court actions, legal disputes, etc.).

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In this regard, in order to determine the probability of default of the counterparties, internal ratings already used for concession purposes have been adopted.

For retail customers, who do not have internal ratings, the expected losses are based on a provision matrix, grouping credits, where appropriate, into relevant clusters and applying impairment percentages defined based on past experience, adjusted, when necessary, for forward-looking credit risk information.

Financial liabilities

Financial liabilities, other than derivative instruments, including financial debts, trade payables, other payables and other liabilities, are initially recognised at *fair value* less any transaction-related costs; they are subsequently recognised at amortised cost using the effective interest rate method, as described in “Financial assets” section above.

Financial liabilities are derecognised upon extinguishment or when the obligation specified in the contract is fulfilled, cancelled, or expired.

Offsetting of financial assets and liabilities

Financial assets and liabilities are offset in the financial position when there is a legally enforceable right to offset and there is an intention to settle on a net basis (i.e. to realise the asset and at the same time extinguish the liability).

Derivative financial instruments and hedge accounting

Derivative financial instruments, including “embedded derivatives”, are initially measured at *fair value* in line with IFRS 13 and IFRS 9, and any attributable transaction costs are recognised in the Income statement when incurred. After initial recognition, the financial instruments are remeasured at *fair value* at each reporting date (for further details, refer to “Fair value measurement” section).

As part of the risk management strategy and objectives, the qualification of transactions as hedging requires: (i) verification of the existence of an economic relationship between hedged item and hedging instrument, such that their value changes offset each other and this offsetting ability is not impaired by the counterparty’s level of credit risk; (ii) the definition of a hedge ratio consistent with the risk management objectives, within the defined risk management strategy, including the appropriate rebalancing actions, if needed. Changes in risk management objectives, the cessation of conditions for hedge qualification, or implementation of rebalancing transactions will result in prospective total or partial discontinuation of the hedge.

When derivatives hedge the *fair value* risk of the hedged items (“*fair value hedge*”, including, but not limited to, hedging the variability of the *fair value* of fixed rate asset/liability), derivatives are recognised at *fair value* with the effects recognised in the income statement; consistently, the hedged items are adjusted for *fair value* changes associated with the hedged risk in the income statement, regardless of the normal measurement criteria generally applied to the instrument.

When the derivatives hedge the cash flow risk of the hedged items (“*cash flow hedge*”, including, but not limited to, hedging the variability of cash flows of the asset/liability due to interest rates or exchange rate fluctuations), the changes in *fair value* of the derivatives considered effective are initially recognised in the equity reserve under other comprehensive income and afterwards reclassified in the income statement in line with the economic effects of the hedged transaction. In the case of hedging future transactions involving the recognition of a non-financial asset or liability, the cumulative *fair value* changes of the hedge derivatives recognised in equity are reclassified to adjust the initial carrying amount of the non-financial item hedged (the “*basis adjustment*”).

Fair value changes of derivatives that do not meet the hedging criteria, including any ineffective components of hedging derivatives, are recognised in the income statement under “Gain/(loss) on derivative financial instruments measured at fair value”.

Embedded derivatives incorporated in financial assets are no longer separated in accounting; in these cases, the entire hybrid instrument is classified based on the general classification criteria for financial asset. Embedded derivatives incorporated in financial liabilities and/or non-financial assets are separated from the main contract and accounted for separately if the embedded instrument: (i) meets the definition of derivative; (ii) as a whole is not measured at *fair value* with the effects recognised in the income statement (FVTPL); (iii) the characteristics and risks of the derivative are not closely related to those of the main contract. The existence of embedded derivatives to separate and measure separately is checked when the company joins the contract and afterwards when there are amendments to the conditions of the contract that bring about significant changes in the cash flows it generates.

Fair value measurement

Fair value is the amount that would be received to sell an asset or paid to transfer a liability in an regular transaction between market participants at the measurement date (i.e. exit price).

Fair value of an asset or liability is determined using the valuations that market participants would use in determining the price of the asset or liability. The *fair value* measurement assumes that the asset or liability would be traded on the main market or, failing that, on the most advantageous market accessible to the entity. The *fair value* of a non-financial asset is determined by considering the market participants' ability to generate economic benefits by using the asset in its highest and best use or selling it to another market participant that would maximise its value. The determination of the highest and best use of the asset is determined from the perspective of market participants, even if the entity intends to use it differently; it is assumed that the entity's current use of a non-financial asset is its highest and best use, unless the market conditions or other factors suggest otherwise.

The *fair-value* measurement of a financial or non-financial liability, or of an equity instrument, considers the quoted price for transferring an identical or similar liability or equity instrument; if such quoted price is not available, the valuation of a corresponding asset held by a market participant as at the measurement date is considered. The fair value of the financial instruments considers the credit risk of the counterparty of a financial asset ("Credit Valuation Adjustment" or "CVA") and the entity's own default risk related to a financial liability ("Debit Valuation Adjustment" or "DVA").

When determining *fair value*, a hierarchy of inputs based on the origin, type and quality of the information used in the calculation is defined. This classification aims to establish a hierarchy in terms of the reliability in *fair value*, prioritizing the use of observable market parameters that reflect assumptions that market participants would use when in measuring the asset/liability. The *fair value* hierarchy includes the following levels:

- level 1: inputs represented by quoted prices (unadjusted) in active markets for identical assets or liabilities that are accessible as at the measurement date;
- level 2: inputs, other than quoted prices included in Level 1, that are observable, directly or indirectly, for the assets or liabilities to be measured;
- level 3: unobservable inputs for the asset or liability.

In the absence of available market quotes, *fair value* is determined by using valuation techniques appropriate for each situation, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

Assets held for sale

Non-current assets and current and non-current assets of disposal groups are classified as held for sale, if their carrying amount will be recovered mainly by their sale rather than through their continued use. This condition is regarded as fulfilled when the sale is highly probable, and the asset or discontinued operations are available for immediate sale in their current condition. In the case of a programme for the sale of a subsidiary that results in loss of control, all assets and liabilities of that affiliate are classified as held for sale, regardless of whether a non-controlling investment is maintained following the sale. Checking that the conditions required to classify an item as held for sale requires that the management made subjective assessments and formulate reasonable and realistic assumptions based on the information available.

Assets held for sale, current and non-current assets related to disposal groups and directly associated liabilities are recognised in the Statement of Financial Position separately from other assets and liabilities.

Assets and liabilities falling within a disposal group are measured according to the accounting standards applicable to them right before being classified as held for sale. Afterwards, the assets held for sale are not amortised or depreciated and are measured at the lower between the carrying amount and its *fair value*, less costs to sell (see section "Fair value measurement").

The classification as "held for sale" of equity investments accounted for using the equity method implies suspended application of this measurement criteria. Therefore, in this case, the carrying amount is equal to the value resulting from the application of the equity method at the date of reclassification.

Any negative difference between the carrying amount of the non-current assets and the *fair value* less costs to sell is recognised to the income statement as an impairment; any subsequent reversal of impairment losses is recognised up to the amount of the previously recognised impairment losses, including those recognised prior to the asset being classified as held for sale.

Provisions for risks and charges

Provisions for risks and charges relate to costs and charges of a specific nature and of certain or probable existence, which, at the end of the year, are uncertain in terms of amount or date of occurrence.

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Provisions are recognised when: (i) it is probable that there is a current legal or constructive obligation, arising from a past event; (ii) it is probable that fulfilling the obligation will be onerous; and (iii) the amount of the obligation can be reliably determined. Provisions are recorded at the value that represents the best estimate of the amount that the entity would reasonably pay to extinguish the obligation or transfer it to third parties at the closing date of the financial year. Provisions related to onerous contracts are recorded at the lower of the cost necessary to fulfil the obligation, less the expected economic benefits deriving from the contract, and the cost to terminate the contract.

When the financial effect of time is significant and the payment dates of the obligations can be reliably estimated, the provision is calculated by discounting, at a rate reflecting the present market evaluations of the time value of money, the expected cash flows in consideration of the risks associated with the obligation; the increase in the provision due to the passing of time is recognised in the income statement under “Financial income (expense)”.

When the liability relates to property, plant and equipment (e.g. site dismantlement and restoration), the provision is recognised against the related asset and the charge to the income statement occurs through depreciation. The costs that Company expects to incur for implementing restructuring programmes are recognised in the period in which the programme is formally defined, and a valid expectation has been generated among the affected parties that the restructuring will take place.

Provisions are periodically updated to reflect changes in cost estimates, selling periods and the discount rate; revisions of provisions are recorded to the same income statement item that previously recognised the provision or, when the liability is related to property, plant and equipment (e.g. site dismantling and restoration), against the related asset, up to the carrying amount; any excess is recognised in the income statement.

The notes to the financial statements describe contingent liabilities represented by: (i) possible (but not probable) obligations arising from past events, whose existence will be confirmed only if one or more future uncertain events occur not entirely under the Company’s control; and (ii) current obligations resulting from past events, whose amount cannot be reliably estimated, or whose fulfilment is likely to be not onerous.

Provisions for employee benefits

Post-employment benefits

Post-employment benefits are grouped into “defined-benefit” plans and “defined-contribution” plans.

- **Defined-benefit plans.** The liability associated with defined-benefit plans is determined by estimating the present value of the future benefits accrued by the employees during the current year and in previous years, and by calculating the fair value of any assets servicing the plan. The present value of the obligations is determined based on actuarial assumptions and is recognised on an accrual basis consistent with the employment period necessary to obtain the benefits. Actuarial gains and losses relating to defined-benefit plans arising from changes in actuarial assumptions or experience adjustments are recognised in other comprehensive income when occurred and are not subsequently recognised in the income statement. When a plan is changed, reduced or extinguished, its effects are recognised in the income statement. Net financial expense represents the change that the net liability undergoes during the year due to the passing of time. Net interest is determined by applying the discount rate to the liabilities, net of any assets servicing the plan. The net financial expense of defined-benefit plans is recognised in “Financial income (expense)”.
- **Defined-contribution plans.** In defined-contribution plans, the Company’s obligation is calculated, limited to the payment of state contributions or to equity or a legally separate entity (fund), based on contributions due. Costs arising from defined-contribution plans are expensed as incurred.

Other long-term plans

Obligations relating to other long-term benefits are calculated using actuarial assumptions; the effects arising from the amendments to the actuarial assumptions or the characteristics of the benefits are recognised entirely in the income statement.

Dividends payments

Dividends payments to Company’s shareholders entails the recording of a payable in the financial statements for the period in which distribution was approved by the Company’s Shareholders or, in the case of interim dividends, by the Board of Directors.

Revenues

The Group recognises revenues when it transfers the control of a product or service to a customer.

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The recognition of revenues from contracts with customers is based on the following five steps: (i) identification of the contract with the customer; (ii) identification of the performance obligations represented by the contractual promises to transfer goods and/or services to a customer; (iii) determination of the price of the transaction; (iv) allocation of the price of the transactions to the performance obligations identified based on the standalone selling price of each good or service; (v) recognition of the revenue when its performance obligation has been met, or when the promised good or service is transferred to the customer; the transfer is considered completed when the customer gains control of the good or service, which can occur over time or at a specific point in time.

Furthermore, in the presence of a third party involved in the supply of goods or services to a customer, the correct recognition of revenues envisaged by IFRS 15 is connected to the fact that the company acts as a principal or as an agent of the counterparty.

Revenue is recognized net of returns, discounts, allowances, and premiums, as well as taxes directly related to the revenue.

Exchanges of goods or services of similar nature and value, as they do not represent sales transactions, do not result in the recognition of revenue and costs.

Revenue from Gas Distribution and Integrated Water Services

For the gas distribution services and integrated water services performed by Italgas Group, the moment of recognition of revenues occurs at the time the service is provided (over time) to customers.

The tariffs (transaction prices) to be applied to customers for the services provided, based on the volumes consumed or the type of service provided, are defined by the Authority based on a predefined amount of annual recognised revenues ("Revenue Cap") by ARERA in Italy and RAEWW in Greece.

In particular, gas distribution and metering services and integrated water services are subject to regulation by ARERA and by RAEWW, which define, among other things, the frameworks for the remuneration of services. Specifically, the Revenue Cap includes a predefined return on the net invested capital, recognised for regulatory purpose (Regulatory Asset Base or "RAB"), related amortisation/depreciation, and some operating costs.

The distribution of gas to the delivery point and the water service activities are considered a single performance obligation, therefore Revenue Cap is recognised on a straight-line basis, since the services provided are continuous and uniform over time, consisting mainly in the continuous provision of infrastructure.

In the case of natural gas distribution in Italy, the difference between the Revenue cap and the revenue charged to customers for services actually rendered is recorded, if positive, under "Trade receivables and other receivables" and, if negative, under "Trade payables and other payables," as it will be subject to financial settlement by the Cassa per i Servizi Energetici e Ambienti ("CSEA"). Additionally, with respect to the "Municipalities in Start-Up ¹⁵⁰" in Italy, the recognition of revenue for gas distribution service is based on a prospective evaluation of the expected delivery points at the end of the regulated start-up period as defined by ARERA, where there is considered to be a high probability of not encountering a significant reversal of the accumulated revenue. Revenue is reported net of items related to additional tariff components, above the Italian tariff, intended to cover the general costs of the gas system. The amounts collected/charged by Italgas are passed back in equal amounts to the CSEA.

In relation to natural gas distribution in Greece and integrated water services, the difference ("Recoverable Difference") between the Revenue cap and the revenue charged to customers for services actually rendered is recorded, if positive, under "Other current and non-current non-financial assets," and if negative, under "Other current and non-current non-financial liabilities," since Italgas has met the corresponding performance obligation and is entitled to recover or obliged to return any amounts not charged or excessively charged to customers during the year in subsequent regulatory periods or at the end of the concession.

Revenue from Construction and Infrastructure Improvements

Revenue from construction and infrastructure improvements provided under concession service agreements, gas distribution activities and integrated water services is recognized over-time as work in progress based on the progress of the work, deduced from the total estimated costs incurred. Revenues are determined equal to costs actually incurred.

Revenue from Energy Efficiency Interventions

¹⁵⁰ Locations with year of first supply after 2017.

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Within the energy efficiency activities, the Group, through its subsidiary Geoside, deals with the renovation and recovery of residential building heritage, allowing customers to access tax deductions provided by the relevant regulations, such as the so-called Superbonus, introduced by Articles 119 and following of DL 34/2020, as amended, as well as other minor bonuses (e.g., Sismabonus, Ecobonus, etc.).

Revenue is recognized over the contract period ("over-time"), for an amount equal to the sum that the Group expects to receive for the operation based on the progress of the works, deduced from the total estimated costs incurred.

Revenue allocations for partially rendered services are recognized for the amount earned, provided it is possible to reliably determine the stage of completion and there are no significant uncertainties about the amount and existence of the revenue and related costs; otherwise, they are recognized up to the recoverable costs incurred.

Technical assistance, engineering, IT and various services

Regarding technical assistance, engineering, IT and various services, Italgas Group recognises revenues at the time of the delivery of service (point in time) to customers. The services are invoiced to customers based on the contractually agreed prices for regulated activities or the prices defined by the Network Code, concerning ancillary activities to the gas distribution service.

Dividends received

Dividends are recognised at the date of the resolution passed by the Shareholders' Meeting, unless it is not reasonably certain that the shares will be sold before the ex-dividend date.

Costs

Costs are recognised in the period when they relate to goods and services sold or consumed during the same period or when it is not possible to identify their future use.

Costs sustained for share capital increases are recorded as a reduction of equity, net of taxes.

Energy efficiency certificates

The Energy Efficiency Certificates purchased during the year are entered in the income statement at the cost borne. The relevant contribution that CSEA will pay at the time the certificates are cancelled is booked as a reduction of the cost borne and is calculated based on the repayment price scheduled at year-end. A special risk provision is allocated to cover the future expected charges to fulfil the year's objective calculated as the difference between the cost to be borne and its cancellation contribution.

Income taxes

Current income taxes are calculated by estimating the taxable income. Receivables and payables for current income taxes are recognised based on the amount which is expected to be paid/recovered to/from the tax authorities under the prevailing tax regulations and rates or those essentially approved at the reporting date.

Regarding Italian corporation tax ("IRES"), Italgas has exercised the option to join the national tax consolidation scheme, to which the consolidated companies Italgas, Italgas Reti, Italgas Newco, Bludigit, Nepta, Geoside, Acqua, Idrolatina and Idrosicilia have officially signed up. The projected payable is recognised under "Current income tax liabilities".

The regulations governing Italgas Group companies' participation in the national tax consolidation scheme stipulates that:

- subsidiaries with positive taxable income pay the amount due to Italgas. The taxable income of the subsidiary, used to determine the tax, is adjusted to account for the recovery of negative components that would have been non-deductible without the consolidation scheme (e.g. interest expense), and any negative taxable income relating to the subsidiary's equity investments in consolidated companies;
- subsidiaries with negative taxable income, if and insofar as they have prospective profitability which, without the national tax consolidation scheme, would have enabled them to recognise deferred tax assets related to the negative taxable income on the separate financial statements, receive from their shareholders – in the event that these are companies with a positive taxable income or a negative taxable income with prospective profitability – or from Italgas in other cases, compensation amounting to the lower of the tax saving realised by the Group and the aforementioned deferred tax assets.

Tax receivables and tax payables on Italian regional production tax ("IRAP") are recognised under the item "Current tax liabilities" and "Current tax receivables", respectively.

As for Greece, corporate income tax is calculated according to the tax laws in force in the country.

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Deferred tax assets and liabilities are calculated on the timing differences between the values of the assets and liabilities entered in the balance sheet and the corresponding values recognised for tax purposes, based on the prevailing tax regulations and rates or those essentially approved for future years. Deferred tax assets are recognised when their recovery is considered probable; specifically, the recoverability of deferred tax assets is considered probable when taxable income is expected to be available in the period in which the temporary difference is cancelled, allowing the activation of the tax deduction. Similarly, unused tax receivables and deferred tax assets on tax losses are recognised up to the limit of recoverability; with reference to deferred tax assets, their recoverability is verified at least annually.

Deferred tax assets and deferred tax liabilities are classified under non-current assets and liabilities and are offset at individual company level, if they refer to taxes that can be offset and/or at the level of the consolidating company in the presence of the taxation regime provided by the National Tax Consolidation. The balance of the offsetting, if it results in an asset, is recognised under the item “Deferred tax assets”; if it results in a liability, it is recognised under the item “Deferred tax liabilities”. When the results of transactions are recognised directly in equity, deferred tax assets and liabilities, and current taxes are also recognised to equity.

In the presence of uncertainties in the application of tax regulations: (i) in cases where it is considered likely that the tax authority will accept the uncertain tax treatment, income taxes (current and/or deferred) to be recognized in the financial statements are determined based on the tax treatment applied or expected to be applied in the tax return; (ii) in cases where it is considered unlikely that the tax authority will accept the uncertain tax treatment, the uncertainty is reflected in the determination of income taxes (current and/or deferred) to be recognized in the financial statements.

Operating segments

The segment reporting was prepared in accordance with the provisions of IFRS 8, therefore, the identification of operating segments and the information presented is defined on the basis of the internal reporting used by management for the purposes of allocating resources to the various segments and analysing their performance.

An operating segment is defined by IFRS 8 as a component of an entity that: (i) engages in revenue- and cost-generating business activities (including revenues and expenses relating to transactions with other components of the same entity); (ii) whose operating results are reviewed periodically at the entity's highest operational decision-making level for the purpose of making decisions about resources to be allocated to the segment and assessing performance; and (iii) for which separate financial statement information is available. With respect to the 2025 financial year, the reportable segments in accordance with IFRS 8 are:

- Gas distribution;
- Water service;
- Energy efficiency;
- Corporate.

The Group operates mainly in Gas distribution and metering services, and residually active in water service and energy service company (ESCO) business. Corporate segment refers to services carried out exclusively in support of the other business (i.e.: administrative, tax and legal services, HR management, IT services).

Gas Distribution segment aggregates the activities carried out in Italy and Greece, reflecting the structure of the internal reporting that is periodically analyzed by the management to manage and plan the Group's business. The management has, in fact, considered that the gas distribution service in Italy and Greece shares similar characteristics, both from an economic and regulatory perspective, taking into account the following aspects:

- a) nature of the products and services, i.e. gas distribution and metering;
- b) nature of the production processes, i.e. the development and maintenance of assets related to the gas distribution service under concession;
- c) type or class of customer according to their products or services, i.e. sales companies;
- d) methods used to distribute its products or provide its services; i.e. the transport of gas through local pipeline networks;
- e) nature of the regulatory environment, i.e. the operation of a regulated business that is essentially based on the return on invested capital and the coverage of costs incurred by the operator. In fact, both regulatory systems guarantee a return on investment and coverage of the management costs regardless of volumes and the WACC formulas. They are entirely similar and essentially able to neutralise differences in risk between the two countries;

Therefore, the gas distribution service in Italy and in Greece are combined in the “Gas distribution” operating segment.

5) Use of estimates

The application of generally accepted accounting principles for the preparation of financial statements involves management making accounting estimates based on complex and/or subjective judgements, estimates based on past experience and assumptions regarded as reasonable and realistic on the basis of the information known at the time of the estimate. The use of these accounting estimates has an influence on the carrying amount of assets and liabilities and on the information about potential assets and liabilities at the reporting date, as well as the amount of revenues and costs in the reference period. The actual results may differ from the estimated results owing to the uncertainty that characterises the assumptions and the conditions on which the estimates are based.

Details are given below about the main accounting estimates involved in the process of preparing the financial statements and interim reports, since they involve a high degree of recourse to subjective judgements, assumptions and estimates regarding matters that are by nature uncertain. Any change in the conditions forming the basis of the judgements, assumptions and estimates used could have a significant impact on results of subsequent years.

Impairment of non-financial assets

Measurement of tangible and intangible assets, including goodwill, requires recording of these in the financial statements for a value no higher than their recoverable value (so-called *Impairment test*).

Recoverable amount is the higher of the *fair value less cost to sell* criteria and the value in use criteria. Having regard to the assets of regulated sectors, the *fair value* may be represented as follows:

- (i) in relation to gas distribution services in Italy, the estimated value of net invested Capital updated to the reference date attributed to these assets for tariff purposes (RAB - Regulatory Asset Base) by the Authority. RAB is the reference basis for determining the service tariffs and, therefore, the cash flows generated from assets. The RAB value is defined using the revalued historical cost method for Fixed Capital net of capital grants and contributions received from users, and on a flat-rate basis for Working Capital and employee severance pay;
- (ii) in relation to gas distribution services in Greece, the estimated value of net invested capital updated to the reference date attributed to these assets for tariff purposes (RAB – Regulatory Asset Base) by the Authority, including the flat-rate value of the net working capital, where positive;
- (iii) in relation to gas distribution services in Italy, the reimbursement value (RV) valid for ATEM (Minimum Territorial Areas) tenders, which is the value to be paid to the operator selling the infrastructure after the tender procedure. In Greece, the reimbursement value is calculated as the value of the RAB at the date of interruption/expiry of the licence, increased by at least 15%;
- (iv) for the integrated water service, the estimated value of the Net Invested Capital recognized for tariff purposes by the Authority (CIN) adjusted for tariff adjustments (RC component of the Revenue Cap for the Operator, also called “Recoverable difference”).

Value in use refers to:

- (v) the present value of the future cash flows expected to be derived from the asset being measured. These flows are determined in line with the most recent business plan approved by management, which is based not only on developments in the regulations, but also on estimates relating to reference market trends and investment and divestment decisions. In the process of determining the recoverable value, flows are discounted at a discount rate (WACC post-tax) that reflects current market conditions, the time value of money and the specific risks of the asset.

More information on the impairment test carried out by the Group Management on property, Plant and equipment and on intangible Assets can be found in the “Impairment of non-current non-financial assets” section.

The recoverable value is sensitive to the estimates and assumptions used to determine the total invested capital, cash flows and discount rates applied. Therefore, possible variations in the estimation of the factors on which the calculation of the aforesaid recoverable values is based could result in different measurements.

Analysis of each of the groups of non-financial assets is unique and requires use by the Group Management of estimates and assumptions considered prudent and reasonable in relation to the specific circumstances.

Business combinations

Recognition of business combination transactions requires determination of the fair value of any assets and liabilities acquired as a result of obtaining control of the business. With the help of independent professionals, the Group Management measured the fair value of assets, liabilities and potential liabilities, on the basis of information on facts and circumstances available at the acquisition date.

Determination of the fair value of assets and liabilities acquired is subject to estimates and measurements by the Group Management. Possible variations in the estimation of the factors on which determination of the fair value is based could generate different measurements.

Analysis of each business combination transaction is unique and requires use by the Group Management of estimates and assumptions considered prudent and reasonable in relation to the specific circumstances.

Environmental liabilities

The Italgas Group is subject, in relation to its activities, to numerous laws and regulations on environmental protection at European, national, regional and local level, including the laws which implement international conventions and protocols relating to the activities carried out.

The measurement of future liabilities in connection with reclamation and restoration obligations in relation to sites and/or land on which the company carries out its business is a complex process based on technical and financial assumptions made by the Group Management and supported by independent experts where necessary.

The restoration cost estimate is discounted using a risk-free rate in accordance with IAS 37. The estimate is made using a principle of prudence based on the known market, legislative and technological conditions at the time of measurement.

The estimates are reviewed at each balance sheet date to verify that the amounts recorded are the best reflection of the costs the Group will face. If any significant variations are found, the amounts are adjusted. The key factors for revising cost estimates are the revision of the timeframes for implementing the site reclamation and restoration plan, developments in the technologies and environmental regulations and discount rate trends.

Measurement of environmental liabilities recorded in the financial statements takes into account the environmental legislation currently in force. However, this measurement could be subject to variations, even to a significant extent, in relation to: (i) the possibility of further contamination arising; (ii) the results of current and future refurbishment and the other possible effects arising from the application of the laws in force; (iii) the possible effects of new laws and regulations for environmental protection; (iv) the effects of any technological innovations for environmental cleansing; and (v) the possibility of disputes concerning the environmental liability for specific sites and the difficulty of determining the potential consequences of this, including in relation to the liability of other parties and any indemnity.

Provisions for employee benefits

Defined-benefit plans are valued on the basis of uncertain events and actuarial assumptions which include, inter alia, the discount rates, the expected returns on the assets servicing the plans (where they exist), the level of future remuneration, mortality rates, the retirement age and future trends in the healthcare expenses covered.

The main assumptions used to quantify defined-benefit plans are determined as follows: (i) the discount and inflation rates representing the base rates at which the obligation to employees might actually be fulfilled are based on the rates which mature on high-quality bonds and on inflation expectations; (ii) the level of future remuneration is determined on the basis of elements such as inflation expectations, productivity, career advancement and seniority; (iii) the future cost of healthcare services is determined on the basis of elements such as present and past trends in healthcare costs, including assumptions regarding the inflationary growth of costs, and changes in the health of the participating employees; and (iv) the demographic assumptions reflect the best estimates of trends in variables such as mortality, turnover, invalidity and others in relation to the population of the participating employees.

Differences in the value of net liabilities relating to employee benefit plans, arising due to changes in the actuarial assumptions used and the difference between the actuarial assumptions previously adopted and actual events, occur routinely and are called actuarial gains and losses. Actuarial gains and losses relating to defined-benefit plans are recognised in the statement of comprehensive income. Actuarial assumptions are also used to determine other long-term employee benefit obligations; to this end, the effects arising from changes to the actuarial assumptions or the characteristics of the benefit are fully recognised in the income statement.

Provisions for risks and charges

In addition to the amounts allocated to the provisions for environmental liabilities, Italgas recorded provisions mainly relating to the following in the financial statements: (i) legal and tax disputes; (ii) staff leaving incentives; (iii) expenses related to meeting the Energy Efficiency Certificates targets (EEC) set by the Authority; (iv) provision for contractual risks.

Provisions are made to cover the risk of future outlay for the cases set out above. The value of the provisions recorded in the financial statements for such risks reflects the best estimate made by the company's management with the support of independent professionals at the preparation date of this document. This estimate involves making assumptions based on factors that may vary over time, which could, therefore, produce a significantly different outcome with respect to the current estimates made by the company's management for the preparation of the Group's financial statements.

6) Business combination transactions

As part of the Group's development, on 1 April 2025 Italgas completed the acquisition of 99.94% of the share capital of 2i Rete Gas S.p.A. from the sellers F2i SGR S.p.A. and Finavias S.à r.l. for a total consideration of 2,071,935,000 euros. The acquisition, disclosed to the market on 5 October 2024, was completed following the receipt of the Golden Power Authorisations, Foreign Subsidies Regulation approval, and clearance from the Italian Competition Authority.

At the acquisition date, 2i Rete Gas S.p.A. held 60% of Cilento Reti Gas S.r.l. and 100% of IG Rete Dati S.r.l. (formerly 2i Rete Dati S.r.l.) – hereinafter the "2i Rete Gas Group".

Thereafter, on 16 April, the reverse stock split became effective, aimed at reducing administrative and management costs for the company, as well as facilitating the post-acquisition reorganisation of the Group. As a result of this reverse stock split, Italgas now holds 100% of the share capital of 2i Rete Gas. On 1 July, the merger by incorporation of 2i Rete Gas into Italgas Reti was also completed.

The acquisition is classed as a business combination pursuant to IFRS 3 – Business Combinations. The transaction was recognised by applying the acquisition method of accounting, which involves the recognition of the identifiable assets and liabilities acquired at their fair value on the acquisition date, including with the assistance of independent experts, in addition to the determination of goodwill as the excess between the consideration transferred and the portion attributable to the Group in the fair value of the net assets acquired. The main identifiable net assets acquired are represented by concessions for the natural gas distribution service, which fall under the scope of application of IFRIC 12 – Service Concession Arrangements (Intangible Assets), and the related user charges received (Other non-current liabilities).

For the purposes of the purchase price allocation (PPA), the fair value of the concessions was determined by assuming a value equal to the local regulatory asset base (RAB)¹⁵¹ at the acquisition date, a method generally accepted within regulated utility sectors for the purpose of estimating fair value.

The chosen methodology reflects the regulated nature of the business and the absence, for most of the concessions acquired, of an exclusive long-term right.

At the acquisition date, the acquired group held nearly all of the concessions under the prorogatio system, pending completion of the new ATEM (Minimum Territorial Level) tenders, as envisaged by industry regulations.

¹⁵¹ The term 'RAB (Regulatory Asset Base)' refers to the value of fixed assets, net of capital grants and user contributions received for regulatory purposes, relating to a geographical area – usually corresponding to a built-up area or a municipality (or part thereof) – which is relevant for the purpose of determining tariffs for the natural gas distribution service.

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This context was carefully considered in the fair value measurements and in the assumptions used in the PPA, in that it is characterised by limited visibility over the residual duration of the concessions, uncertainty of the outcome of future tenders and regulatory mechanisms to protect the residual value of the assets.

Where current and non current financial liabilities are concerned, an analysis was conducted of the fixed-rate bonds, which were measured at fair value at the acquisition date, so as to reflect the precise market conditions. The measurement of assets and liabilities at fair value has resulted, in accordance with applicable tax legislation, in the recognition of deferred tax liabilities on temporary differences between the carrying amounts and the tax bases of these items.

The difference between the fair value of the net assets acquired and the consideration paid has been recognised as goodwill, since it is attributable to future economic benefits that are not separately identifiable and are not autonomously transferable, such as the business and operational expertise of management and the technical structure.

The goodwill recognised is not amortised and undergoes an annual impairment test pursuant to IAS 36, or more frequently in the presence of impairment indicators.

The analysis of the transaction is given below:

Acquisition of companies	
	2i Rete Gas Fair values at the acquisition date
<i>(€ thousands)</i>	
Cash and cash equivalents	9,134
Trade and other receivables	471,604
Inventories	14,986
Other current assets	28,711
Current assets	524,435
Property, plant and equipment	57,398
Intangible assets	5,294,015
Equity investments	3,475
Financial assets	1,992
Deferred tax assets	285,804
Other non-current assets	53,895
Assets held for sale	268
Non-current assets	5,696,847
TOTAL ASSETS	6,221,282
Current financial liabilities	564,077
Trade and other payables	410,613
Tax liabilities	44,776
Other current liabilities	32,056
Current liabilities	1,051,522
Long-term financial liabilities	2,513,673
Provisions for risks and charges	67,498
Provisions for employee benefits	28,113
Deferred tax liabilities	290,308
Other non-current liabilities	718,067
Liabilities held for sale	33
Non-current liabilities	3,617,692
TOTAL LIABILITIES	4,669,214
VALUE OF NET ASSETS ACQUIRED	1,552,068
MINORITIES	1,734
NET ASSETS ACQUIRED (100%)	1,550,334
NET ASSETS ACQUIRED (99.94%)	1,549,404
CONSIDERATION RECEIVED (paid in full)	2,071,935
GOODWILL	522,531

The transaction costs incurred in connection with the acquisition were recognised in the income statement as operating expenses, in accordance with IFRS 3, and were not included in the consideration transferred.

At the approval of this Consolidated Financial Statements, the purchase price allocation (PPA) process was completed. Nevertheless, the Group reserves the right to definitively report the effects of the PPA within 12 months from the acquisition date, namely by 31 March 2026.

Any adjustments arising from the final recognition of the effects of the PPA will be accounted for retrospectively, restating comparative data where necessary.

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7) Cash and cash equivalents

Cash and cash equivalents, equal to 531,933 thousand euro (402,662 thousand euro as at 31 December 2024), refer to current account deposits held at banks.

Cash and cash equivalents are not subject to any usage restrictions, with the exception of the amount of 44,555 thousand euro (43,400 thousand euro as at 31 December 2024) related to the subsidiary Acqua Campania, relating to collections on behalf of the Campania Region for water monitoring activities and not yet paid at the end of the financial year.

8) Current financial assets

Current financial assets, amounting to 4,004 thousand euro (3,592 thousand euro as at 31 December 2024) mainly relate to financial receivables from credit institutions, that are convertible in cash in the short term.

9) Trade receivables and other receivables

Trade receivables and other receivables, amounting to 1,407,264 thousand euro (905,092 thousand euro as at 31 December 2024) include the following:

(€ thousands)	As of 31 December 2024	As of 31 December 2025
Trade receivables	751,969	1,217,511
Receivables from investment/divestment activities	5,278	4,300
Other receivables	147,845	185,453
	905,092	1,407,264

Trade receivables (1,217,511 thousand euro as at 31 December 2025 and 751,969 thousand euro as at 31 December 2024) include the items arising from the companies of 2i Rete Gas and increased by 465,542 thousand euro mainly due to the increase in (i) receivables from the sales companies for the gas distribution service in Italy (346,786 thousand euro), (ii) receivables from the CSEA for the equalisation of the gas distribution service in Italy (42,357 thousand euro) and (iii) the Superbonus receivables of 67,136 thousand euro related to residential regulatory changes (extension of the 110% bonus for non-profit organisations and buildings in seismic areas), which made it possible to launch new projects during the year.

Receivables from investment/divestment activities (4,300 thousand euro as at 31 December 2025 and 5,278 thousand euro as at 31 December 2024) refer to the sale of property, plant and equipment and intangible assets.

Other receivables (185,453 thousand euro as at 31 December 2025 and 147,845 thousand euro as at 31 December 2024) break down as follows:

(€ thousands)	As of 31 December 2024	As of 31 December 2025
IRES receivables for the national tax consolidation scheme	5,154	1,014
Receivables due from CSEA	68,152	108,030
Receivables from the Public administration	2,833	2,801
Advances to suppliers	43,386	44,750
Receivables from personnel	2,633	4,997
Receivables from ex Casmez users	18,668	9,512
Sundry other	7,019	14,349
	147,845	185,453

IRES receivables for the national tax consolidation regime amounted to 1,014 thousand euro (5,154 thousand euro as at 31 December 2024). The item decreased during the financial year mainly following the collection of a receivable from the former parent company Eni, in connection with a reimbursement claim for IRES amounting to 4,096 thousand euro.

Receivables esigible from CSEA (108,030 thousand euro as at 31 December 2025 and 68,152 thousand euro as at 31 December 2024) mainly refer to additional gas distribution tariff components and premiums relating to safety recoveries of the gas distribution service. The increase stems mainly from the entry of 2i Rete Gas into the scope of consolidation.

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Receivables from public Administrations (2,801 thousand euro at 31 December 2025 and 2,833 thousand euro as at 31 December 2024) relate to receivables from Municipalities, mainly for the public space occupation fee (the so-called “Canone per l’occupazione di spazi e aree pubbliche” or “COSAP”).

Receivables from the customers of the Campania aqueduct (previously “Casmez” or “Cassa del Mezzogiorno”), amounting to 9,512 thousand euro (18,668 thousand euro as at 31 December 2024), relate to the metering service (a system for accounting potable water consumption) managed in the name and on behalf of the Campania Region.

With the exception to receivables arising from energy efficiency services provided as part of the so-called Superbonus, the amortised cost method has not been applied to “Trade receivables and other receivables”, as collection is reasonably expected within the following 12 months and any costs, fees and any other differences between the initial value and the maturity value are immaterial. The effects arising from the application of the amortised cost criterion are therefore insignificant.

Trade and other receivables are reported net of the bad debt provision (25,737 thousand euro at 31 December 2025 and 18,674 thousand euro at 31 December 2024). Changes during the current and previous year are shown below:

(€ thousands)	As of 31 December 2023	Assets acquired through business combination	Provisions	Uses	Other changes	As of 31 December 2024
Trade receivables	15,147	3,211	257	(1,079)	(225)	17,311
Other receivables	1,360	0	0	0	3	1,363
	16,507	3,211	257	(1,079)	(222)	18,674

(€ thousands)	As of 31 December 2024	Assets acquired through business combination	Provisions	Uses	Other changes	As of 31 December 2025
Trade receivables	17,311	4,826	2,810	(205)	(276)	24,466
Other receivables	1,363	1,074	0	0	(1,166)	1,271
	18,674	5,900	2,810	(205)	(1,442)	25,737

Bad debt provision reflects estimated losses in connection with the Group’s credit portfolio. Impairment is made for expected losses on receivables, estimated both on the basis of past experience with receivables with similar credit risk and on the basis of future expected loss on open positions as at the reference date, as well as careful monitoring of the quality of credit portfolios.

The following table provides the aging of Trade and other receivables:

(€ thousands)	As of 31 December 2024			As of 31 December 2025		
	Trade receivables	Other receivables and receivables from inv/divest activities	Total	Trade receivables	Other receivables and receivables from inv/divest activities	Total
Receivables not overdue	684,109	153,123	837,232	1,145,892	189,753	1,335,645
Receivables overdue:	67,860		67,860	71,620		71,620
- from 0 to 3 months	25,440		25,440	16,171		16,171
- from 3 to 6 months	3,240		3,240	7,769		7,769
- from 6 to 12 months	10,323		10,323	25,334		25,334
- over 12 months	28,857		28,857	22,345		22,345
	751,969	153,123	905,092	1,217,511	189,753	1,407,264

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Receivables overdue, amounting to 71,620 thousand euro, mainly relate to receivables in the gas and water sectors (65,110 thousand euro) and ESCo service customers (6,510 thousand euro). Receivables from related parties are described in section “Related party transactions”. Specific information on credit risk is provided in section “Guarantees, commitments and risks - Financial risk management - Credit risk”.

10) Inventories

Inventories, amounting to 74,719 thousand euro (57,232 thousand euro as at 31 December 2024), are analysed in the table below:

(€ thousands)	As of 31 December 2024			As of 31 December 2025		
	Gross value	Provision for impairment losses	Net value	Gross value	Provision for impairment losses	Net value
Raw materials, consumables and supplies	64,426	(7,194)	57,232	82,404	(7,685)	74,719
	64,426	(7,194)	57,232	82,404	(7,685)	74,719

Inventories of Raw materials, consumables and supplies, amounting to 74,719 thousand euro as at 31 December 2025, mainly include smart meters (38,936 thousand euro), odorant (6,026 thousand euro) and assets arising from contracts for works on behalf of the Campania Region relating to the Western Campania Aqueduct (1,187 thousand euro).

Provision for impairment losses amounted to 7,685 thousand euro (7,194 thousand euro as at 31 December 2024) and essentially relates to defective or malfunctioning gas meters. The increase in this item is mainly due to the entry into the scope of consolidation of the companies of 2i Rete Gas and the provision for 1,642 thousand euro, partially offset by the use in the financial year for 4,871 thousand euro.

Inventories are not collateralised. Inventories do not secure liabilities, nor are recognised at net realisable value.

11) Current and non-current tax receivables/liabilities

Current and non-current tax receivables/liabilities break down as follows:

(€ thousands)	As of 31 December 2024			As of 31 December 2025		
	Current	Non-current	Total	Current	Non-current	Total
Tax receivables	0	17,612	17,612	589	20,360	20,949
- IRES	0	17,612	17,612	566	20,360	20,926
- Foreign Taxes	0	0	0	23	0	23
Tax liabilities	25,562	0	25,562	2,569	0	2,569
- IRES	6,449	0	6,449	0	0	0
- IRAP	14,822	0	14,822	2,569	0	2,569
- Foreign Taxes	4,291	0	4,291	0	0	0

Taxes pertaining to current year are shown in section “Income taxes”.

12) Other current and non-current non-financial assets

Other current non-financial assets, amounting to 284,674 thousand euro (232,559 thousand euro as at 31 December 2024) and *other non-current non-financial assets*, amounting to 546,613 thousand euro (619,322 thousand euro as at 31 December 2024), break down as follows:

(€ thousands)	As of 31 December 2024			As of 31 December 2025		
	Current	Non-current	Total	Current	Non-current	Total
Other regulated activities(*)	53,386	392,928	446,314	71,746	441,282	513,028
Other assets	179,173	226,394	405,567	212,928	105,331	318,259
- Other current taxes	37,885	0	37,885	53,094	0	53,094

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- Accrued income and deferrals(*)	10,468	785	11,253	17,939	943	18,882
- Security deposits	0	3,970	3,970	0	6,740	6,740
- Super/Ecobonus(*)	128,910	219,760	348,670	141,895	95,630	237,525
- Other(*)	1,910	1,879	3,789		2,018	2,018
	232,559	619,322	851,881	284,674	546,613	831,287

Other regulated activities (513,027 thousand euro as at 31 December 2025 and 446,314 thousand euro as at 31 December 2024) mainly include (i) receivables from the gas distribution tariff in Greece (so-called "Recoverable Difference") for 183,099 thousand euro (154,972 thousand euro as at 31 December 2024); (ii) receivables from the water service in Italy (so-called "Tariff Adjustments") for 148,993 thousand euro (135,677 thousand euro as at 31 December 2024); (iii) receivables from gas distribution in Italy for 180,936 thousand euro (111,110 thousand euro as at 31 December 2024) relating to the tariff recognition by the Authority as a result of the plan to replace traditional meters with electronic ones pursuant to Article 57 of ARERA Resolution no. 367/14 as amended and the recovery of the residual non-depreciated costs (so-called IRMA) pursuant to DCO 545/2020/R/gas, Resolution no. 570/2019/R/gas and Determination no. 3/2021, and the tariff recognition pursuant to Resolution no. 737/2022/R/gas and Determination no. 1/2023 of 11 October 2023 - DINE of the residual unamortised costs of the smart meters installed in the first roll-out phase of the installation plans provided for by the Gas Smart Meter Directives, which had to be decommissioned earlier than the end of their useful life – this recognition concerned the smart meters decommissioned early, of a class not exceeding G6 produced up to the year 2016 and installed by the year 2018.

Super/Ecobonus receivables (237,525 thousand euro, 348,670 thousand euro as at 31 December 2024) includes the receivables recognised by the Italian Revenue Agency mainly for the energy efficiency interventions falling under the provision of Decree 34/2020, as amended, used to offset taxes payables by the Group. The Group has assessed the recoverability of the Super/Ecobonus receivables based on the expected overall tax contribution in the following years in accordance with regulatory requirements and, after its assessments, it is believed that the recoverability of the receivable is adequately guaranteed by the Group's ample tax capacity.

Other current tax assets, which amount to 53,094 thousand euro (37,884 thousand euro as at 31 December 2024) mainly refer to VAT receivables.

It should be noted that the Group finalised a factoring agreement with a financial counterparty, on the basis of which receivables were factored without recourse for Energy Efficiency Certificates (EECs) for an amount of 2.2 million euro.

13) Property, plant and equipment

Property, plant and equipment, amounting to 488,059 thousand euro as at 31 December 2025 (383,327 thousand euro at 31 December 2024), breaks down as follows:

(€ thousands)	As of 31 December 2024						Total
	Land	Buildings	Plant and equipment	Industrial and commercial equipment	Other assets	Work in progress and payments on account	
Cost at 31.12.2023	18,838	531,552	40,953	176,937	87,466	12,325	868,071
Right of Use as at 31.12.2023	4,398	68,293		58,944	59,648		191,283
Additions	36	8,439	4,225	5,802	853	14,135	33,489
Right of Use additions	707	6,885		6,695	7,691		21,978
Disposals	(163)	(5,668)	(983)	(2,387)	(530)	(4)	(9,735)
Disposals of Right of Use	0	(6,746)		(4,949)	0		(11,695)
Reclassifications	5	2,527	29	745	0	(3,306)	0
Reclassifications of rights of use	0	0		1,806	(1,806)		0
Change in scope of consolidation	0	0	297	11,102	937	106	12,442
Change in scope of consolidation right of use	0	288		0	0		288
Cost at 31.12.2024	19,424	537,276	44,521	195,751	94,610	23,256	914,838
Accumulated depreciation at 31.12.2023	(274)	(257,656)	(22,541)	(144,496)	(56,962)		(481,929)
Amortisation of Right of Use as of 31.12.2023	(274)	(31,712)		(44,523)	(31,871)		(108,380)
Depreciation	0	(9,974)	(2,651)	(5,363)	(2,559)		(20,547)
Amortisation of Right of Use	(553)	(9,678)		(9,978)	(12,253)		(32,462)
Disposals	0	3,643	68	719	1,721		6,151
Disposals of Right of Use	0	3,659		4,749			8,408
Change in scope of consolidation	0	0	(297)	(10,735)	0		(11,032)
Reclassifications				(617)	617		0
Other change in rights of use	0	0		(2,517)	2,517		0

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Accumulated depreciation at 31.12.2024	(827)	(270,006)	(25,421)	(168,238)	(66,919)	0	(531,411)
Provision for impairment of asset at 31.12.2023	0	0	(2)	0	0	(100)	(102)
Disposals	0	0	0	0	0	0	0
Other changes	0	0	(3)	0	0	5	2
Provision for impairment of asset at 31.12.2024	0	0	(5)	0	0	(95)	(100)
Net balance at 31.12.2023	18,564	273,896	18,410	32,441	30,504	12,225	386,040
Net balance at 31.12.2024	18,597	267,270	19,095	27,513	27,691	23,161	383,327
- of which Right of Use	4,278	30,989	0	10,227	23,926	0	69,420

As of 31 December 2025							
(€ thousands)	Land	Buildings	Plant and equipment	Industrial and commercial equipment	Other assets	Work in progress and payments on account	Total
Cost at 31.12.2024	19,424	537,276	44,521	195,751	94,610	23,256	914,838
Right of Use as at 31.12.2024	5,105	68,720	-	62,496	65,533		201,854
Additions	55	1,204	2,769	8,589	2,295	28,115	43,027
Right of Use additions	443	17,552		51,340	24,304		93,639
Disposals	(118)	(1,868)	(80)	(24)	(895)	-	(2,985)
Disposals of Right of Use	-	(2,371)		(5,480)	(1,527)		(9,378)
Reclassifications	(4,399)	(18,883)	9,843	35,982	(30,372)	(3,021)	(10,850)
Reclassifications of rights of use	(9)	(40,917)		(22,206)	(4,093)		(67,225)
Assets acquired through business combination consolidation	6,356	40,415	17,553	28,241	30,136	(265)	122,436
Right of use acquired through business	-	38,485		17,626	5,555		61,666
Other changes	-	-		(1,238)	-	-	(1,238)
Cost at 31.12.2025	21,752	570,893	74,606	308,581	120,013	48,085	1,143,930
Accumulated depreciation at 31.12.2024	(827)	(270,006)	(25,421)	(168,238)	(66,919)		(531,411)
Amortisation of Right of Use as at of 31.12.2024	(827)	(37,731)		(52,269)	(41,607)		(132,434)
Depreciation	-	(10,995)	(4,005)	(7,689)	(2,450)		(25,139)
Amortisation of Right of Use	(535)	(13,107)		(14,922)	(16,036)		(44,600)
Disposals	-	1,839	74	9	403		2,325
Disposals of Right of Use	-	1,093		5,383	137		6,613
Assets acquired through business combination	-	(29,165)	(6,449)	(26,233)	(26,442)		(88,289)
Assets acquired through business combination of Right of Use	-	(27,950)		(9,180)	(930)		(38,060)
Reclassifications		22,993	(355)	(27,984)	27,950		22,604
Reclassifications of Right of Use		27,950		11,140	1,576		40,666
Other changes			86	492			578
Accumulated depreciation at 31.12.2025	(1,362)	(297,348)	(36,070)	(237,222)	(82,711)	-	(654,713)
Provision for impairment of asset at 31.12.2024	-	-	(5)	-	-	(95)	(100)
(Write-down)/Value restorations			(125)				(125)
Assets acquired through business combination			(353)				(353)
Other changes			(86)	(492)			(578)
Provision for impairment of asset at 31.12.2025	-	-	(569)	(492)	-	(95)	(1,156)
Net balance at 31.12.2024	18,597	267,270	19,095	27,513	27,691	23,161	383,327
Net balance at 31.12.2025	20,390	273,545	37,967	70,866	37,301	47,990	488,059
- of which Right of Use	4,177	31,723	-	42,689	32,912	-	111,501

Additions (136,666 thousand euro) mainly refer to industrial and commercial equipment (5,889 thousand euro), work in progress and payments on account (28,115 thousand euro) and leased assets (93,639 thousand euro).

Depreciation (69,738 thousand euro) refers to economic and technical depreciation determined on the basis of the useful life of the assets or their remaining possible use by the Group. Amortisation related to right of use amounted to 44,599 thousand euro.

The provision for impairment losses for 664 thousand euro increased mainly due to the entry into the scope of consolidation of the companies of 2i Rete Gas.

Rights of use are detailed in the following table:

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(€ thousands)	As of 31 December 2024	Depreciation	Business combination	Increases	Decreases	Reclassifications	other changes	As of 31 December 2025
Land	4,278	(535)	0	443	0	(9)	0	4,177
Buildings	30,989	(13,107)	10,533	17,552	(1,278)	(12,966)	0	31,723
- operating properties	30,989	(13,107)	10,533	17,552	(1,278)	(12,966)	0	31,723
Industrial and commercial equipment	10,227	(14,922)	8,446	51,340	(98)	(11,066)	(1,238)	42,689
- cars and ICT	10,227	(14,922)	8,446	51,340	(98)	(11,066)	(1,238)	42,689
Other assets	23,926	(16,036)	4,625	24,304	(1,390)	(2,517)		32,912
	69,420	(44,600)	23,604	93,639	(2,766)	(26,558)	(1,238)	111,501
Interest expense (included in financial expense)	1,376							2,567

Land and buildings, equal to 293,944 thousand euro (285,867 thousand euro as at 31 December 2024), mainly include buildings for office use, workshops, warehouses and depots used in the corporate business, of which rights of use for 35,908 thousand euro.

Plant and machinery (37,967 thousand euro and 19,095 thousand euro as at 31 December 2024) mainly relates to photovoltaic plants and electric car charging points.

Industrial and commercial equipment (70,857 thousand euro and 27,513 thousand euro as at 31 December 2024) include rights of use for 42,689 thousand euro relating to IT infrastructures and leased vehicles.

During the year, there were no changes in the estimated useful life of assets or in the depreciation rates applied and explained by category in section - "Measurement criteria - Property, plant and equipment".

Property, plant and equipment are not collateralised and there are no restrictions on ownership and property.

Contractual commitments to purchase property, plant and equipment, and to provide services related to the construction thereof, are reported in section "Guarantees, commitments and risks". During the year, no impairment indicators were observed, nor any significant variations to the measurement of the recoverability of the value recognised in the financial statements for Property, plant and equipment.

13.1 Property, plant and equipment by business segment

Property, plant and equipment by operating segment are broken down as follows:

(€ thousands)	As of 31 December 2024	As of 31 December 2025
Historical cost	914,839	1,143,929
Gas distribution	836,656	1,060,698
Water service	13,875	15,461
Energy efficiency	38,714	42,351
Corporate	25,594	25,419
Depreciation, amortisation and impairment of asset	(531,511)	(655,870)
Gas distribution	(485,393)	(604,647)
Water service	(11,960)	(13,106)
Energy efficiency	(20,853)	(23,166)
Corporate	(13,305)	(14,951)
Net book value	383,328	488,059
Gas distribution	351,263	456,051
Water service	1,915	2,355
Energy efficiency	17,861	19,185
Corporate	12,289	10,468

14) Intangible assets

Intangible assets, amounting to 14,723,294 thousand euro as at 31 December 2025 (8,883,270 thousand euro as at 31 December 2024) break down as follows.

(€ thousands)	As of 31 December 2024						Total
	Finite useful life					Indefinite useful life	
	Service concession arrangements	Industrial patent rights and intellectual property rights	Work in progress and payments on account IFRC 12	Work in progress and payments on account	Other Intangible Assets	Goodwill	
Historical cost at 31.12.2023	14,262,509	604,240	225,165	25,837	182,611	190,463	15,490,825
Additions	638,950	15,500	182,870	14,062	27,305	0	878,687
Government grants	0	0	(21,424)	0	0	0	(21,424)

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Assets acquired through business combination	37,476	5	0	0	0	0	37,481
Disposals	(80,340)	(595)	0	0	(45)	0	(80,980)
Reclassifications	169,475	36,976	(171,973)	(13,539)	(20,939)	0	0
Other changes	(874,964)	0	0	0	0	0	(874,964)
Historical cost at 31.12.2024	14,153,106	656,126	214,638	26,360	188,932	190,463	15,429,625
Accumulated amortisation at 31.12.2023	(6,002,778)	(507,691)			(155,508)		(6,665,977)
Amortisation	(454,151)	(38,305)			(3,655)		(496,111)
Assets acquired through business combination	(2,037)	0			0		(2,037)
Disposals	31,061	135			44		31,240
Reclassifications	3,234	(1,532)			(1,702)		0
Other changes	575,364	0			0		575,364
Accumulated amortisation at 31.12.2024	(5,849,307)	(547,393)	0	0	(160,821)	0	(6,557,521)
Provision for impairment of asset at 31.12.2023	(48,251)	(10)	(2,686)	0	(1,292)		(52,239)
Uses	12,565	0	0	0	0		12,565
Disposals	839	0	0	0	1		840
Reclassifications	(238)	0	238	0	0		0
Provision for impairment of asset at 31.12.2024	(35,085)	(10)	(2,448)	0	(1,291)	0	(38,834)
Net balance at 31.12.2023	8,211,480	96,539	222,479	25,837	25,811	190,463	8,772,609
Net balance at 31.12.2024	8,268,714	108,723	212,190	26,360	26,820	190,463	8,833,270

	As of 31 December 2025						Total
	Finite useful life					Indefinite useful life	
	Service concession arrangements	Industrial patent rights and intellectual property rights	Work in progress and payments on account IFRC	Work in progress and payments on account	Other Intangible Assets	Goodwill	
(€ thousands)			12				
Historical cost at 31.12.2024	14,153,106	656,126	214,638	26,360	188,932	190,463	15,429,625
Additions	771,859	584	223,840	68,895	1,778	0	1,066,956
Government grants	(25,505)	0	0	0	0	0	(25,505)
Assets acquired through business combination	8,853,080	297,116	63,530	583	9,910	522,531	9,746,751
Disposals	(95,246)	0	0	0	0	0	(95,246)
Reclassifications	228,078	30,617	(150,183)	(30,616)	(77,896)	0	0
Other changes	(523,723)	1,991	(35,342)	(4,980)	(16,936)	(21,950)	(600,940)
Historical cost at 31.12.2025	23,361,649	986,434	316,483	60,242	105,788	691,044	25,521,641
Accumulated amortisation at 31.12.2024	(5,849,307)	(547,393)			(160,821)		(6,557,521)
Amortisation	(580,485)	(57,216)			(4,906)		(642,606)
Assets acquired through business combination	(3,580,149)	(248,226)			(9,654)		(3,838,029)
Disposals	52,058	0			0		52,058
Reclassifications	(93,940)	0			93,940		0
Other changes	290,579	3,557			1,779		295,915
Accumulated amortisation at 31.12.2025	(9,761,244)	(849,277)	0	0	(79,662)	0	(10,690,183)
Provision for impairment of asset at 31.12.2024	(35,085)	(10)	(2,448)	0	(1,291)		(38,834)
Uses	20,883	0	(1,500)	0	0		19,383
Reclassifications	6,232	(361)	(5,871)	0			0
Assets acquired through business combination	(92,513)	0	0	0	336		(92,177)
Other changes	3,800	0	0	0	(336)		3,464
Provision for impairment of asset at 31.12.2025	(96,683)	(371)	(9,819)	0	(1,291)	0	(108,164)
Net balance at 31.12.2024	8,268,714	108,723	212,190	26,360	26,820	190,463	8,833,270
Net balance at 31.12.2025	13,503,722	136,786	306,664	60,242	24,835	691,044	14,723,294

The investments, amounting to 1,066,956 thousand euro, includes technical investments made during the year (995,699 thousand euro, mainly relating to network extension and extraordinary maintenance and the replacement of meters) and investments in other intangible assets amounting to 71,257 thousand euro.

Service concession Agreements (including the related work in progress), amounting to 13,810,386 thousand euro (8,480,904 thousand euro as at 31 December 2024), refer to agreements between the public and private sectors on the development, financing, management and maintenance of infrastructure under concession by a contracting party. The provisions relating to the service concession Agreements are applicable for Italgas in its role as a public service natural gas distributor in Italy and Greece and in water service management, i.e.

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they are applicable to the agreements under which the operator is committed to providing the public natural gas distribution and water service at the tariff established by the Authority, holding the right to use the infrastructure and for the purposes of providing the public service. This item also includes for 99,893 thousand euro the residual value of the intangible asset “licences” measured during the purchase price allocation of the Enaon Group relating to the licences for gas distribution in Greece expiring in 2043. The change resulting from the inclusion of the companies of the 2i Rete Gas Group in the scope of consolidation in FY 2025 amounts to 5,243, thousand euro. Other changes to Service concession arrangements mainly include assets held for sale amounting to 250,781 thousand euro (historical cost of 480,192 thousand euro and accumulated amortisation of 229,411 thousand euro). For more details, see Note 17) Assets and liabilities held for sale.

Changes to the scope of consolidation in 2025 refer to the business combination of 2i Rete Gas, whereas those in 2024 referred to the business combination of Acqua Campania, which manages the Acquedotto della Campania Occidentale (ACO) under a concession contract.

Work in progress and payments on account IFRIC 12 for 306,664 thousand euro (212,190 thousand euro at 31 December 2024) mainly refers to new networks under construction and digitisation of natural gas distribution networks. The change resulting from the inclusion of the companies of the 2i Rete Gas Group in the scope of consolidation amounts to 63,530 thousand euro.

Industrial patent rights and intellectual property rights of 136,786 thousand euro (108,723 thousand euro as at 31 December 2024) mainly concern information systems and applications in support of operating activities.

Other intangible assets of 24,835 thousand euro (26,820 thousand euro as at 31 December 2024) concern mainly the customer lists relating to the acquisition of an ESCo business.

Intangible assets with an undefined useful life of 691,044 thousand euro (190,463 thousand euro as at 31 December 2024) mainly refer to goodwill arising in relation to the process of allocation of prices paid for the companies acquired in previous financial years. The increase of 500,581 thousand euro is attributable to the aforementioned acquisition of 2i Rete Gas. In particular, the change to the initial scope of consolidation amounted to 522,531 thousand euro, before it was reduced by 21,950 thousand euro following the reclassification to Non-current assets held for sale in compliance with the measure of the Italian Competition Authority (AGCM). For further clarification, see the note on “Assets and liabilities held for sale”.

At the date of approval of this document, the purchase price allocation (PPA) process of the 2i Rete Gas transaction was completed. Nevertheless, the Group reserves the right to definitively report the effects of the PPA within 12 months from the acquisition date, namely by 31 March 2026, as provided for by IFRS 3. Any adjustments arising from the finalisation of the PPA will be accounted for retrospectively, restating comparative data where necessary.

The provision for impairment losses, amounting to 108,164 thousand euro (38,834 thousand euro as at 31 December 2023), increased by 92,513 thousand euro following the acquisition of 2i Rete Gas and mainly relates to service concession arrangements and metering instruments, in relation to the disposals made during the financial year of metering instruments that were not working, in advance of their useful life.

Research and development costs for the period are included in the item Work in progress and include the costs incurred for the in-house development of the Nimbus meter.

Contractual commitments to purchase intangible assets, and to provide services related to the development thereof, are reported in section “Guarantees, commitments and risks”.

Impairment test

The carrying amount of property, plant and equipment and intangible assets is periodically revised as per IAS 36, which requires that the existence of impairment indicators be assessed. In the case of goodwill, intangible assets with an indefinite useful life or intangible assets not yet available for use, this assessment is done at least once a year and whenever there is an indication of possible impairment. In 2025, the impairment test was performed for all of the following cash generating units (CGUs):

- Distribution and metering of natural and other gases;
- Distribution and metering of natural gas abroad;
- Integrated water service;
- Other activities (ESCos).

As envisaged by IAS 36, the recoverability of the values recognised is verified by comparing the carrying amount of the net invested capital recognised in the financial statements referring to each CGU, including

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goodwill where present, with the recoverable amount, determined as the higher of value in use of the asset in its current condition and the value obtainable from selling the asset (fair value), less costs of sell.

The goodwill recognised following the business combination is attributable to the CGUs that benefit from the synergies arising from the acquisition, and allocated as follows:

- Distribution and metering of natural and other gases: 566.8 million euro (increased compared to the comparative financial year following the acquisition of 2i Rete Gas);
- Distribution and metering of natural gas abroad: 115.8 million euro (unchanged compared from previous year);
- Other activities (ESCo - Energy Service Company): 8.4 million euro (unchanged from previous year).

With reference to the “Distribution and metering of natural and other gases” CGU, the recoverable value was estimated as the value of the Net invested capital attributed for tariff purposes (RAB – Regulatory Asset Base) by the Authority. The use of the RAB for estimating recoverable amount is a generally accepted method in regulated utility sectors.

No impairment was found as a result of the test carried out.

With reference to the CGU “Distribution and metering of natural gas abroad”, the recoverable amount was estimated according to the value in use method determined on the basis of the Discounted Cash Flow (DCF) method. The expected cash flows for the explicit period 2025-2031 are taken from the 2025-2031 Strategic Plan approved by Italgas’ Board of Directors on 29 October 2025 (“2025-2031 Strategic Plan”) and the terminal value was estimated as equal to the RAB at the end of the plan period increased by 15% (as predicted by the regulation applicable in Greece). Cash flows were discounted at a WACC post-tax of 4.7% (unchanged compared to 31 December 2024).

The main assumptions underlying the expected cash flows for the explicit period concerned: (i) the amount and the timing of the investments for the expansion, digitisation of the distribution network and replacement of traditional meters with smart meters; (ii) the number of re-delivery points to be acquired over the duration of the plan with a compound annual growth rate (CAGR) of 6.5%, and (iii) the assumptions related to the volumes of gas distributed over the duration of the plan (an increase in consumption with a CAGR of +7.5% was estimated), relevant for the generation of cash, including the timing of the collection of the Recoverable Difference. These assumptions are based on historical data and public reports on gas market trends and related consumption.

No impairment was found as a result of the test carried out. A sensitivity analysis was conducted on the recovery of 50% of the Recoverable Difference beyond the timeframe of the plan (2030) and this analysis did not detect any impairment either. The headroom of the baseline – terminal value RAB +15% – is approximately 93 million euro (86 million euro as at 31 December 2024) and is zeroed in the case of a 1.4-percentage-point increase in the post-tax WACC.

With reference to the “Integrated water service” CGU, the recoverable amount was estimated as the value of the net invested capital recognised for tariff purposes by the Authority (NIC) taking into account the Recoverable Difference (Rc component of the constraint on the operator’s revenues). The use of the tariff NIC including adjustments for estimating the recoverable amount is a generally accepted method in the sector. The value of the CIN is estimated by updating the latest data approved by the designated authorities with the variations that occurred up to the balance sheet date; the estimate includes the variations of the CIN (increments, disposals, contributions and amortizations) and the revaluation rate. No impairment was found as a result of the test carried out.

With reference to the “Other activities (ESCos)” CGU, the recoverable value was determined, as value in use, on the basis of the cash flows deriving from the 2025-2031 Strategic Plan approved by management using the Discounted Cash Flow (DCF) method.

Cash flows were discounted at a WACC post-tax of 4.7% and 6.0% (the range as at 31 December 2024 was 4.7% – 8.1%), for photovoltaic activities and energy efficiency services, respectively. The terminal value was estimated for the business of energy efficiency interventions as perpetuity at the end of the plan (2031) taking into account a growth rate (g) of 2%, in line with expected inflation. For the photovoltaic business portion, flows for the period of the plan were extended along the period of residual life of the plants.

The value in use determined according to the methods described above is higher than the value of the net invested capital of the CGU. Therefore, no impairment losses were found.

The recoverability of the value of the invested capital of the CGU was also confirmed by a sensitivity analysis, providing for a terminal value based on an EBITDA 2031 multiple of 7x. The headroom of the baseline with TV perpetuity is approximately 75 million euro (39 million euro as at 31 December 2024). In order for the fair value

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to be equal to the carrying amount, is necessary an increase in the discount rate of 1.1 percentage point for energy efficiency services and 7.0 percentage point for fotovoltaic.

14.1 Intangible assets by business segment

Intangible assets by operating segment are analysed as follows:

(€ thousands)	As of 31 December 2024	As of 31 December 2025
Historical cost	15,429,624	25,521,642
Gas distribution	15,272,145	25,384,924
Water service	117,935	96,088
Energy efficiency	36,643	37,079
Corporate	2,901	3,551
Depreciation, amortisation and impairment of asset	(6,596,354)	(10,798,348)
Gas distribution	(6,515,969)	(10,739,888)
Water service	(66,335)	(42,131)
Energy efficiency	(13,007)	(14,634)
Corporate	(1,043)	(1,695)
Net book value	8,833,270	14,723,294
Gas distribution	8,756,176	14,645,036
Water service	51,600	53,957
Energy efficiency	23,636	22,445
Corporate	1,858	1,856

15) Investments accounted for using the equity method

Investments accounted for using the equity method, amounting to 166,778 thousand euro (155,715 thousand euro at 31 December 2024) break down as follows:

(€ thousands)	As of 31 December 2023	Investment	Share of the profit of investments in associates/joint ventures (*)	Dividends paid	Other changes	As of 31 December 2024
Umbria Distribuzione Gas S.p.A.	1,467	0	(418)	0	0	1,049
Metano Sant'Angelo Lodigiano S.p.A.	1,077	0	73	(93)	0	1,057
Gesam Reti S.p.A.	21,417	0	1,556	(868)	0	22,105
Enerpaper S.r.l.	488	0	(488)	0	0	0
Energie Rete Gas S.r.l.	21,896	0	(268)	0	0	21,628
Siciliacque S.p.A.	52,828	15,000	4,292	0	(40)	72,080
Acqualatina S.p.A.	32,598		5,198	0	0	37,796
	131,771	15,000	9,945	(961)	(40)	155,715

(*) The values reported are integrated with the adjustments made in application of the equity valuation criterion

(€ thousands)	As of 31 December 2024	Investment	Share of the profit of investments in associates/joint ventures (*)	Dividends paid	Other changes	As of 31 December 2025
Umbria Distribuzione Gas SpA	1,049	0	1,733	0	0	2,782
Metano Sant'Angelo Lodigiano S.p.A.	1,057	0	237	(130)	0	1,164
Gesam Reti S.p.A.	22,105	0	1,303	(975)	0	22,433
Energie Rete Gas S.r.l.	21,628	0	(142)	0	0	21,486
Siciliacque S.p.A.	72,080	0	1,303	0	0	73,383
Acqualatina S.p.A.	37,796	0	4,258	0	0	42,054
Melegnano Energia Ambiente	0	0	47	(45)	3,475	3,477
	155,715	0	8,738	(1,150)	3,475	166,778

Equity investments are not collateralised, with the exception of (i) shares in Acqualatina S.p.A., which are encumbered by a pledge in favour of Banco BPM to guarantee a project finance; (ii) shares held in Siciliacque S.p.A., which are encumbered by a pledge in favour of the financing banks Unicredit S.p.A. and Intesa Sanpaolo S.p.A. to guarantee the non-recourse project finance granted to the affiliate.

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The Group verified the recoverable amount for all equity investments held, regardless of the existence of impairment indicators.

With reference to the Gesam Reti S.p.A., Umbria Distribuzione Gas S.p.A. and Metano Sant'Angelo Lodigiano S.p.A. equity investments, the recoverable amount was estimated as the value of the net invested capital attributed for tariff purposes (RAB – Regulatory Asset Base) by the Authority net of the net financial position. The use of the RAB for estimating recoverable amount is a generally accepted method in regulated utility sectors. No impairment was found as a result of the test carried out.

The recoverable value of Energie Rete Gas was determined, as value in use, on the basis of the cash flows deriving from the 2026-2040 Plan, developed by the Group's management, approved by Company Management using the Discounted Cash Flow (DCF) method. Furthermore, the terminal value was estimated to be equal to the value of the RAB at the end of the plan period, plus 10%. The cash flows were discounted at a rate representative of the weighted average cost of capital (WACC) equal to 4.44%. The value in use determined according to the methods described above was higher than the value of the equity investment. Therefore, no impairment losses were found.

recoverable amount of the equity investments in Siciliacque S.p.A. and Acqualatina S.p.A. was estimated as the value of the Net Invested Capital attributed for tariff purposes taking into account the tariff adjustments (Rc component of the constraint on the operator's revenue) net of the net invested position. The use of the tariff NIC including adjustments for estimating the recoverable amount is a generally accepted method in the sector. No impairment was found as a result of the test carried out. It should be noted that Siciliacque S.p.A. submitted its tariff proposal to the competent authorities and is awaiting formal approval.

Consolidated companies, joint ventures, associates and other significant equity investments are indicated separately in the Appendix "Subsidiaries, associates and equity investments of Italgas S.p.A. at 31 December 2025", which is an integral part of these notes.

Other information on equity investments

In accordance with the provisions of IFRS 12 - "Disclosure of interests in other entities", the economic and financial data for joint ventures and associates are provided below. The aggregated presentation does not obscure relevant information and gives a clearer overview of the equity investments in similar entities.

Equity investments in joint ventures

The IFRS-compliant economic and financial data on equity investments in joint ventures operating in the distribution of natural gas¹⁵² are reported below according to their relevance:

	As of 31 December 2024
(€ thousands)	Gas distribution
Current assets	1,125
- of which Cash and Cash equivalents	865
Non-current assets	6,751
Total assets	7,876
Current liabilities	(2,895)
- of which Current financial liabilities	(2,606)
Non-current liabilities	(2,867)
- of which Non-current financial liabilities	0
Total liabilities	(5,762)
Equity	2,114
Equity attributable to the Group	1,057
Other adjustments	0
Carrying amount	1,057
Revenues	1,619
Operating costs	(909)
Amortisation, depreciation and impairment of asset	(299)
Operatin result	411
Financial Income (Expense)	(129)
Income taxes	(79)
Net profit	203
Total comprehensive income	203
Group interest	102

¹⁵² The financial statement figures for joint ventures values refer to the preliminary and/or approved reporting packages.

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(*) Includes equity investment in Energie Rete Gas reclassified as at 31 December 2024 from joint ventures to Equity investments in associates.

	As of 31 December 2025
(€ thousands)	Gas distribution
Current assets	1,790
- of which Cash and Cash equivalents	843
Non-current assets	6,640
Total assets	8,430
Current liabilities	(3,506)
- of which Current financial liabilities	
Non-current liabilities	(2,597)
- of which Non-current financial liabilities	(2,500)
Total liabilities	(6,103)
Equity	2,327
Equity attributable to the Group	1,064
Other adjustments	0
Carrying amount	1,064
Revenues	1,892
Operating costs	(872)
Amortisation, depreciation and impairment of asset	(326)
Operating result	694
Financial Income (Expense)	(112)
Income taxes	(166)
Net profit	416
Total comprehensive income	416
Group interest	208

Metano Sant'Angelo Lodigiano S.p.A.

Metano Sant'Angelo Lodigiano S.p.A. operates in the natural gas distribution sector in the municipalities of Sant'Angelo Lodigiano (LO), Villanova del Sillaro, Bargano (LO), Castiraga Vidardo (LO), Marudo (LO) and Villanterio (PV).

The share capital of Metano Sant'Angelo Lodigiano S.p.A. is held by Italgas S.p.A. (50%) and by Comune di Sant'Angelo Lodigiano (50%). The corporate governance rules establish that the decisions on the significant activities have to be taken with the unanimous consent of the private partner (Italgas S.p.A.) and the Public Partner (Municipalities).

Equity investments in associates

Some economic and financial data for each significant associate¹⁵³, considered material and accounted for using the equity method as required by IFRS 12 "Disclosure of Interests in Other Entities":

	As of 31 December 2024		
(€ thousands)	Gas distribution	Water service	ESCo companies
Current assets	23,086	25,616	375,205
- of which Cash and Cash equivalents	5,643	4,420	63,624
Non-current assets	71,274	119,880	391,156
Total assets	94,360	145,496	766,361
Current liabilities	(29,378)	(11,128)	(346,260)
- of which Current financial liabilities	(7,238)	(1,721)	(36,139)
Non-current liabilities	(21,977)	(99,932)	(181,517)
- of which Non-current financial liabilities	(10,814)	(99,932)	(88,786)
Total liabilities	(51,355)	(111,060)	(527,777)
Equity	43,005	34,436	238,584
Equity attributable to the Group	18,616	16,874	144,795
Other adjustments	4,538	4,755	(34,918)
Carrying amount	23,154	21,629	109,877
Revenues	21,936	15,859	203,578
Operating costs	(12,381)	(3,693)	(134,534)
Amortisation, depreciation and impairment of asset	(3,979)	(5,316)	(47,257)
Operating Result	5,576	6,850	21,787
Financial Income (Expense)	(723)	(6,405)	827

¹⁵³ The financial statement figures for associated companies values refer to the preliminary and/or approved reporting packages.

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Income taxes	(1,614)	(929)	(6,049)
Net profit	3,239	(484)	16,565
Total comprehensive income	3,239	(484)	16,565
Group interest	1,378	(237)	9,529

(€ thousands)	As of 31 December 2025		
	Gas distribution	Gas transmission	Water service
Current assets	27,811	23,837	338,211
- of which Cash and Cash equivalents	8,883	983	61,313
Non-current assets	75,764	125,369	539,308
Total assets	103,575	149,206	877,519
Current liabilities	(25,456)	(4,332)	(334,867)
- of which Current financial liabilities	(4,413)	0	(5,600)
Non-current liabilities	(20,951)	(110,434)	(293,291)
- of which Non-current financial liabilities	(11,420)	(109,198)	(97,087)
Total liabilities	(46,407)	(114,766)	(628,158)
Equity	57,168	34,440	249,361
Equity attributable to the Group	24,419	16,876	150,525
Other adjustments	4,273	4,610	(35,088)
Carrying amount	28,692	21,486	115,437
Revenues	25,223	15,754	188,472
Operating costs	(9,488)	(4,040)	(132,834)
Amortisation, depreciation and impairment of asset	(4,272)	(5,851)	(33,702)
Operating Result	11,463	5,863	21,936
Financial Income (Expense)	(804)	(5,956)	(6,176)
Income taxes	(3,384)	(401)	(5,239)
Net profit	7,275	(494)	10,521
Total comprehensive income	7,275	(494)	10,521
Group interest	3,195	(242)	5,638

Umbria Distribuzione Gas S.p.A.

Umbria Distribuzione Gas S.p.A. operates in the natural gas distribution segment in Umbria.

The share capital of Umbria Distribuzione Gas S.p.A. is held by Italgas S.p.A. (45%), by A.S.M. Terni S.p.A. (40%) and by Acea S.p.A. (15%).

Umbria Distribuzione Gas manages the natural gas distribution service in the Municipality of Terni, using an integrated system of infrastructure, mostly owned by Terni Reti S.r.l., a wholly-owned subsidiary of said Municipality.

Gesam Reti S.p.A.

Gesam Reti S.p.A. operates in the natural gas distribution and network management sector (owned 42.96% by Toscana Energia S.p.A.) in the municipality of Lucca and in another 7 municipalities of the province.

Energie Rete Gas S.r.l.

Energie Rete Gas S.r.l. is a company active in gas transmission through a network of regional methane pipelines located in Valle D'Aosta, Piedmont, Liguria, Tuscany and Sardinia.

The share capital of the company is held by Energetica S.p.A. (51%) and Medea S.p.A. (49%).

Siciliacque S.p.A.

Siciliacque S.p.A. operates in Sicily, under concession, the services of water collection, storage, purification and water adduction at a supra-regional level. It is 75% owned by Idrosicilia S.r.l. and the remaining 25% by the Sicily Region, which exercises control.

Acqualatina S.p.A.

Acqualatina S.p.A. is a joint publicly controlled company operating in the Water Service in the Province of Latina and lower Lazio (Optimal Territorial Areas (OTA) n. 4 Lazio Meridionale or ATO 4). 51% of its capital is held by the municipalities in ATO 4 and the remaining 49% by Idrolatina S.r.l.

Melegnano Energia Ambiente S.p.A.

Melegnano Energia Ambiente S.p.A. is a company active in the provision of local public services, including gas and water distribution, in the Municipalities of Melegnano and Binasco.

The company's share capital is held by the Municipality of Melegnano (60%) and by Italgas Reti S.p.A. (40%).

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16) Non-current financial assets

Non-current financial assets, amounting to 349,295 thousand euro (339,747 thousand euro as at 31 December 2024), are broken down as follows:

(€ thousands)	As of 31 December 2024	As of 31 December 2025
Financial receivables	319,388	324,027
Other equity investments	20,359	25,268
	339,747	349,295

The item Financial receivables for 324,027 thousand euro mainly includes the residual value of the gas distribution concession in Rome (entered into in 2012 and expired in November 2024) amounting to 299.6 million euro. The concession established that the operator (Italgas Reti S.p.A.) had the unconditional right to receive such amount upon expiry.

Other equity investments for 25,268 thousand euro relates to the fair value measurement of the investments in Picarro Inc. (16,637 thousand euro) and Reti Distribuzione S.p.A. (8,400 thousand euro).

17) Assets held for sale

Assets held for sale, amounting to 281,410 thousand euro (5,351 thousand euro as at 31 December 2024), and *liabilities held for sale*, amounting to 46,252 thousand euro, mainly relate to the disposal of a defined number of re-delivery points (PdRs) in specific ATEMs identified by the Italian Competition Authority (AGCM) following the acquisition of 2i Rete Gas.

On 6 June 2025, Italgas published a notice for the sale of control of the activities corresponding to at least 20% of the total re-delivery points in the following ATEMs: Agrigento, Bari 2, Benevento, Brescia 5, Caltanissetta, Campobasso, Caserta 2, Catania 1, Frosinone 2, L'Aquila 2, Mantua 2, Massa Carrara, Matera, Messina 2, Naples 2, Novara 2, Padua 2, Padua 3, Potenza 1, Potenza 2, Ragusa, Reggio di Calabria-Vibo Valentia, Rome 4, Rome 5, Salerno 1, Salerno 3, Teramo, Turin 6, Trapani, Varese 1, Viterbo. Furthermore, Italgas published a notice for disposal of control of the activities held in the ATEMs of Barletta-Andria-Trani, Caserta 1, Cosenza 2 and Pisa, corresponding to the number of re-delivery points (PdRs) that Italgas S.p.A. acquired from 2i Rete Gas S.p.A.

The Authority completed the assessment of the suitability of potential buyers and, in accordance with AGCM Measure no. 31476, awarded the gas distribution activities in twelve Territorial Areas (ATEMs), including Bari 2, Barletta-Andria-Trani, Brescia 5, Campobasso, Frosinone 2, Massa Carrara, Padua 2 and 3, Pisa, Rome 5, Teramo and Viterbo. Having been selected through a competitive procedure, the buyers were Ascopiave S.p.A., Erogasmet S.p.A., GP Infrastrutture S.r.l., and a temporary consortium consisting of Plures (formerly Alia Servizi Ambientali S.p.A.), Estra S.p.A. and Centria S.r.l.

A total of 247,000 re-delivery points will be sold for a total consideration of 253.1 million euro, together with the related networks and service plants, the personnel involved and the assets required for service management. On 1 March 2026, the ATEMs of Bari 2, Barletta-Andria-Trani, Pisa and Teramo were transferred to a temporary consortium comprising Plures, Estra and Centria, for approximately 120,000 active re-delivery points (PdRs). The remaining disposals will take place by the second quarter of 2026.

See point 39 – “Significant events after year end”, for updates on the disposal procedure.

(€ thousand)	As of 31 December 2024	As of 31 December 2025
Assets held for sale	5,351	281,410
<i>of which goodwill</i>		<i>21,950</i>
Liabilities directly associated with non-current assets held for sale		(46,252)
	5,351	235,158

18) Current and non-current financial liabilities

Current financial liabilities, amounting to 975,322 thousand euro (980,569 thousand euro as at 31 December 2024) and non-current financial liabilities, amounting to 10,440,320 thousand euro (6,205,299 thousand euro as at 31 December 2024), break down as follows:

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(€ thousands)	As of 31 December 2024					
	Current liabilities			Non-current liabilities		
	Current liabilities	Current portion of long-term liabilities	Total current liabilities	Non-current portion due within 5 years	Non-current portion due beyond 5 years	Total non-current liabilities
Bank loans	250,334	70,744	321,078	429,099	483,548	912,647
Notes		569,817	569,817	3,111,521	2,136,922	5,248,443
Lease liabilities (IFRS 16 and IFRIC 12)	24,625	21,649	46,274	34,940	9,269	44,209
Other shareholders	43,376	24	43,400	0	0	0
	318,335	662,234	980,569	3,575,560	2,629,739	6,205,299

(€ thousands)	As of 31 December 2025					
	Current liabilities			Non-current liabilities		
	Current liabilities	Current portion of long-term liabilities	Total current liabilities	Non-current portion due within 5 years	Non-current portion due beyond 5 years	Total non-current liabilities
Bank loans	2,069	322,847	324,916	1,915,784	389,723	2,305,507
Notes		550,864	550,864	4,980,920	3,076,111	8,057,031
Lease liabilities (IFRS 16 and IFRIC 12)	24,625	30,297	54,922	61,241	16,541	77,782
Other shareholders loans	44,596	24	44,620			0
	71,290	904,032	975,322	6,957,945	3,482,375	10,440,320

On 6 March 2025, under the EMTN Programme, Italgas placed a "dual-tranche" note with fixed rates and maturities of 5 and 9 years, maturing on 6 March 2030 and 2034, respectively, with each tranche amounting to 500 million euro and annual coupons of 2.875% and 3.500%, respectively.

On 31 March 2025, Italgas drew on the so-called Bridge credit line of 1,000 million euro, granted under the financing agreement signed on 5 October 2024 with J.P. Morgan Chase Bank, N.A. – Milan Branch, Banco BPM S.p.A., Bank of America Europe Designated Activity Company – Milan Branch, Citibank N.A. – Milan Branch, Morgan Stanley Bank AG, and Société Générale – Milan Branch, as the financing banks. This facility was fully repaid on 20 June thanks to the capital increase.

On 16 May 2025, Italgas entered into two floating-rate bank loans with leading credit institutions, each amounting to 300 million euro (for a total amount of 600 million euro) and with a duration of three years.

On 17 June 2025 Italgas took out a floating-rate bank loan with a leading bank. The loan was for a total amount of 300 million euro and for a duration of three years. In addition, in September, Italgas obtained two floating-rate bank loans for a total amount of 500 million euro, with a three-year maturity, used for the reimbursement of a note maturing on 11 September.

On 10 July 2025, Consob approved the new EMTN (Euro Medium Term Notes) Programme with a maximum nominal amount of 5 billion euro, providing for the issuance of one or more non-convertible notes to be executed within one year and placed exclusively with institutional investors. The new Italgas EMTN Programme is the first EMTN programme of its kind for companies in Italy that provides for the issuance of securities in dematerialised form, with listing on the Mercato Telematico delle Obbligazioni ("MOT", Government Bond and Securities Electronic Market), operated by Borsa Italiana S.p.A..

As required by IAS 7 (§44A), below is the statement showing the reconciliation of the changes in financing liabilities, distinguishing between changes arising from cash flow and other non-monetary changes.

(€ thousands)	As of	Cash flow	As of		31 December 2025
	31 December 2024		Other changes	Business combinations	
Bank loans	1,233,725	1,073,071	(12,798)	336,425	2,630,423
of which current	321,078	(324,539)	307,861	20,516	324,916
of which non-current	912,647	1,397,610	(320,659)	315,909	2,305,507
Notes	5,818,260	(2,500)	73,998	2,718,137	8,607,895
of which current	569,817	(1,000,000)	445,381	535,384	550,582
of which non-current	5,248,443	997,500	(371,383)	2,182,753	8,057,313
Lease liabilities (IFRS 16 and IFRIC 12)	90,483	(46,705)	65,738	23,188	132,704
of which current	46,274	(46,705)	47,458	7,895	54,922
of which non-current	44,209		18,280	15,293	77,782
Other loans	43,400	1,220	0	0	44,620
of which current	43,400	1,220			44,620
of which non-current				0	0
	7,185,868	1,025,086	126,938	3,077,750	11,415,642

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Current financial liabilities

Current financial liabilities amounting to 975,314 thousand euro (980,569 thousand euro as at 31 December 2024) are mainly related to the current portion of non-current liabilities. The decrease of 5,255 thousand euro is attributable to the combined effect of (i) the reduction in bank loans maturing in 2025 compared to 2024, (ii) the decrease in the notes and related interest to be paid in 2025, (iii) the increase in the short-term portion of long-term bank loans, (iv) the increase in other items, such as IFRS 16 financial debt.

There are no current financial liabilities in currencies other than Euro.

Non-current financial liabilities

Non-current financial liabilities amount to 10,440,328 thousand euro (6,205,299 thousand euro as at 31 December 2024).

Net of lease liabilities, the increase is mainly attributable to the increase of notes for 2,808,588 thousand euro (especially deriving from the merger of 2i Rete Gas) and bank loans for 1,392,861 thousand euro.

The breakdown of the notes for 8,607,895 thousand euro, with the issuing company, year of issue, currency, average interest rate and due date, is provided in the following table.

Notes issued by Italgas S.p.A and Italgas Reti S.p.A.:

(€ thousands)

Issuing company	Issue (year)	Currency	Nominal Value	Adjustment to amortized cost	Fair value bond	Financing value as at 31.12.2025	Interest accrual	Balance as at 31.12.2025	Rate (%)	Due date (year)
Euro Medium Term Notes										
ITALGAS S.p.A.	2017	euro	750,000	(1,340)		748,660	11,552	760,212	1.63%	19/01/2027
ITALGAS S.p.A.	2017	euro	750,000	(1,315)		748,685	11,585	760,270	1.63%	18/01/2029
ITALGAS S.p.A.	2019	euro	600,000	(3,652)		596,348	3,609	599,957	0.88%	20/04/2030
ITALGAS S.p.A.	2019	euro	500,000	(2,736)		497,264	272	497,536	1.00%	11/12/2031
ITALGAS S.p.A.	2021	euro	500,000	(2,459)		497,541	0	497,541	0.00%	16/02/2028
ITALGAS S.p.A.	2021	euro	500,000	(4,319)		495,681	2,177	497,858	0.50%	16/02/2033
ITALGAS S.p.A.	2023	euro	500,000	(6,178)		493,822	11,639	505,461	4.13%	08/06/2032
ITALGAS S.p.A.	2024	euro	1,000,000	(6,988)		993,012	26,780	1,019,792	3.13%	08/02/2029
ITALGAS S.p.A.	2025	euro	500,000	(3,620)		496,380	11,814	508,194	2.88%	06/03/2030
ITALGAS S.p.A.	2025	euro	500,000	(1,492)		498,508	14,382	512,890	3.50%	06/03/2034
ITG RETI (ex 2iretegas)	2017	euro	435,000	(1,786)		433,214	2,586	435,800	1.75%	28/08/2026
ITG RETI (ex 2iretegas)	2017	euro	730,000	(1,448)	(8,594)	719,958	2,665	722,623	1.61%	31/10/2027
ITG RETI (ex 2iretegas)	2021	euro	500,000	(5,154)	(38,000)	456,846	13,713	470,559	0.58%	29/01/2031
ITG RETI (ex 2iretegas)	2023	euro	550,000	(195)	29,800	579,605	1,985	581,590	4.38%	06/06/2033
Total			8,315,000	(42,682)	(16,794)	8,255,524	114,759	8,370,283		

During the purchase price allocation envisaged by IFRS 3 and resulting from the acquisition of the 2i Rete Gas Group, the fair value measurement of the fixed-rate bonds listed on the Irish market was carried out. The impact of this measurement is shown in the column “FV bond”.

Bond loans by the subsidiary Enaon:

(€ thousands)

Issuing company	Issue (year)	Currency	Nominal Value	Adjustment to amortized cost	Financing value as at 31.12.2025	Interest accrual	Balance as at 31.12.2025	Rate (%)	Due date (year)
ENAON S.A.	2025	euro	130,000	(573)	129,427	603	130,030	1,70% + 3M Euribor	2029
ENAON S.A.	2025	euro	61,500	(5,637)	55,863	285	56,148	1,90% + 3M Euribor	2034
ENAON S.A.	2025	euro	52,000	(807)	51,193	241	51,434	1,90% + 3M Euribor	2027
Total			243,500	(7,017)	236,483	1,129	237,612		

The breakdown of bank loans, amounting to 2,630,423 thousand euro is provided in the table below.

(€ thousands)

Type	Issue (year)	Currency	Nominal Value	Adjustment to amortized cost	Financing value as at 31.12.2025	Interest accrual	Balance as at 31.12.2025	Rate (%)	Due date (year)
ITALGAS S.p.A. - EIB	2017	euro	288,000	(97)	287,903	417	288,167	0,35+Euribor 6M	15.12.2037
ITALGAS S.p.A. - EIB	2015	euro	82,667	(128)	82,539	322	82,860	0,14+Euribor 6M	22.10.2035
ITALGAS S.p.A. - EIB	2016	euro	175,000	(38)	174,962	402	175,364	0,47+Euribor 6M	30.11.2032

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ITALGAS S.p.A. - EIB	2022	euro	150,000	(83)	149,917	223	150,141	3.180%	15.12.2037
ITALGAS S.p.A. - EIB	2023	euro	12,000	(105)	11,895	180	12,075	2.770%	04.07.2042
ITALGAS S.p.A. - EIB	2024	euro	36,000	(89)	35,911	89	36,000	0,829+Euribor 6M	05.12.2044
TOSCANA ENERGIA S.p.A. - EIB	2016	euro	45,000	0	45,000	0	45,000	1.050%	30.06.2031
ITALGAS RETI (ex Ziretegas) - EIB	2015	euro	90,909	0	90,909	13	90,922	0,59+Euribor 6M	29.12.2030
ITALGAS RETI (ex Ziretegas) - EIB	2016	euro	70,000	0	70,000	5	70,005	1.392%	29.12.2026
ITALGAS RETI (ex Ziretegas) - EIB	2016	euro	155,000	0	155,000	12	155,012	1.398%	29.12.2026
ITALGAS S.p.A. - TL MEDIOBANCA	2024	euro	125,000	(124)	124,876	0	124,876	0,65+Euribor 6M	18.10.2027
ITALGAS S.p.A. - INTESA SANPAOLO	2025	euro	300,000	(371)	299,629	0	299,629	0,70+Euribor 3M	16.05.2028
ITALGAS S.p.A. - CAIXA BANK	2025	euro	300,000	(443)	299,557	0	299,557	0,67+Euribor 3M	16.05.2028
ITALGAS S.p.A. - BBVA	2025	euro	300,000	(383)	299,617	0	299,617	0,70+Euribor 3M	17.06.2028
ITALGAS S.p.A. - BNL	2025	euro	250,000	(346)	249,654	0	249,654	0,67+Euribor 3M	28.07.2028
ITALGAS S.p.A. - CACIB	2025	euro	250,000	(525)	249,475	0	249,475	0,60+Euribor 3M	28.07.2028
ITALGAS RETI (ex Ziretegas). - RCF	2024	euro			0	61	61		05.03.2027
Loans due to other banks							2,008		
Total			2,629,576	(2,732)	1,228,912	1,724	2,630,423		

There are no non-current financial liabilities in currencies other than Euro.

There were no breaches of loan agreements as at the reporting date.

Other shareholders loans amounting to 44,620 thousand euro refer to amounts due for collections to be transferred in relation to the metering service carried out in the name and on behalf of the Regione Campania.

There were no breaches of loan agreements as at the reporting date. For more information, see “Financial covenants and negative pledge contractual clauses” below.

Breakdown of total financial liabilities by interest rate type

As at 31 December 2025, fixed-rate debt accounted for 79.8% of total financial liabilities (85.4% as at 31 December 2024), while floating-rate debt stood at 20.2% (14.6% as at 31 December 2024). The increase in floating-rate liabilities is due to the signing of new bank loans concluded during the year and the maturity of two fixed-rate bonds, partially offset by the consolidation of the debt formerly held by 2i Rete Gas S.p.A..

Financial covenant and negative pledge contractual clauses

As at 31 December 2025 Italgas had unsecured bilateral and syndicated loan agreements in place with banks and other financial institutions. There are no loan agreements containing financial covenants, with the exception of the EIB loan signed by Toscana Energia which provides for compliance with certain financial covenants.

In particular, the loan agreement with the EIB requires compliance with financial covenants, such as the ratio between (i) net financial position (calculated on an aggregate basis for the entire Italgas Group) and EBITDA, as defined in the contractual documentation, (ii) the sum of FFO and financial charges and the sum of repayments of the principal portion of financial debt over the last 12 months, as defined in the contractual documentation, and (iii) net financial position and RAB, as defined in the contractual documentation. As at 31 December 2025, these financial covenants were respected.

Some of the loan agreements provide, inter alia, for the following: (i) negative pledge undertakings, pursuant to which Italgas and the subsidiaries are subject to limitations regarding the creation of real rights of guarantee or other restrictions concerning all or part of the respective assets, shares or goods; (ii) *pari passu* and change of control clauses; (iii) limitations on some extraordinary transactions that the Company and its subsidiaries may carry out.

Furthermore, limited to the EIB loans subscribed by the Italgas Group, the lender has the option to request additional guarantees if the credit rating assigned to Italgas is below BBB- (Fitch Ratings Limited) or Baa3 (Moody's) or in the event of the loss of any rating. If these additional guarantees are not deemed satisfactory, the European Investment Bank would have the right to request the immediate early repayment of the loans it has provided.

Failure to comply with the commitments established for these loans - in some cases only when this non-compliance is not remedied within a set time period - and the occurrence of other events, such as cross-default events, some of which are subject to specific threshold values, may result in Italgas and Toscana Energia failure to comply and could trigger the early repayment of the relative loan.

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As at 31 December 2025, these covenants and commitments were respected.

Notes issued by Italgas S.p.A. and Italgas Reti S.p.A. mainly referred to securities issued under the Euro Medium Term Notes programme. The covenants established for the programme's securities are typical of international market practice and consist of, inter alia, negative pledge and pari passu clauses.

Analysis of net financial debt

An analysis of net financial debt with evidence of related party transactions is shown in the table below.

(€ thousands)	As of 31 December 2024	As of 31 December 2025
A. Cash	401,610	530,881
B. Cash equivalents	1,051	1,051
C. Other current financial assets	9,470	8,551
D. Liquidity (A+B+C)	412,131	540,483
E. Current financial debt	317,144	71,377
F. Current portion of non-current financial debt	663,425	904,283
G. Current financial debt (E+F)	980,569	975,660
<i>of which, related parties</i>	<i>4,580</i>	<i>4,227</i>
H. Net current financial debt (G-D)	568,438	435,177
I. Non-current financial debt (excluding the current portion and debt instruments)	945,873	2,374,560
J. Debt instruments	5,248,443	8,057,031
K. Trade and other non-current payables		
L. Non-current financial debt (I+J+K)	6,194,316	10,431,591
<i>of which, related parties</i>	<i>141,566</i>	<i>266,442</i>
M. Net financial debt (H+L)	6,762,754	10,866,768

(*) Including lease liabilities (IFRS 16 and IFRIC 12) of which 78,789 thousand euro non-current, of which 1,000 thousand euro reclassified to liabilities held for sale (44,209 thousand euro as at 31 December 2024), 30,297 thousand euro current portions of non-current financial debt, of which 251 thousand euro reclassified to liabilities held for sale (21,649 thousand euro as at 31 December 2024) and 24,625 thousand euro current portions of lease liabilities (IFRIC 12).

Cash, amounting to 531,933 thousand euro, is held in current accounts and fixed-term deposits that can be immediately liquidated with leading Banks. With the exception of 44,555 thousand euro, cash and cash equivalents are not subject to any usage restrictions.

Net financial debt does not include payables for dividends resolved and yet to be distributed and payables for investing activity for contractually agreed earn-out.

19) Trade and other payables

Trade and other payables, which amount to 1,775,822 thousand euro (1,184,609 thousand euro as at 31 December 2024), comprise the following:

(€ thousands)	As of 31 December 2024	As of 31 December 2025
Trade payables	249,659	377,072
Payments on account and prepayments	5,345	10,064
Other payables	929,605	1,388,686
Trade and other payables	1,184,609	1,775,822

Trade payables of 377,072 thousand euro (249,659 thousand euro as at 31 December 2025) relate to payables to suppliers for the purchase of goods and services. The increase of 127,413 thousand euro is mainly attributable to the acquisition of the company 2i Rete Gas.

Other payables (1,388,686 thousand euro as at 31 December 2025 and 929,605 thousand euro as at 31 December 2024) break down as follows:

(€ thousands)	As of 31 December 2024	As of 31 December 2025
Payables - shareholders for dividends	5,776	8,934
Payables for investment activities	412,689	478,956
Payables to the Campania Region for ACO concession	241,566	255,439
Payables to the public administration	105,822	227,044
Payables to CSEA	92,300	296,584
Payables to personnel	32,304	54,484
Payables to social security institutions	17,949	24,101
Payables to consultants and professionals	5,187	6,762
		222

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Sundry other	16,012	36,382
Other payables	929,605	1,388,686

Payables for investment activities equal to 478,956 thousand euro (412,689 thousand euro as at 31 December 2024) mainly relate to payables to suppliers for technical activities.

Payables to the Campania Region for ACO concession, amounting to 255,439 thousand euro (241,566 thousand euro as at 31 December 2024), relate to the fee for the concession to manage the Acquedotto della Campania Occidentale (ACO) and the system for metering (for drinking water consumption), arising from the entry of Acqua Campania S.p.A. into the consolidation area.

Payables to the public administration (227,044 thousand euro; 105,822 thousand euro as at 31 December 2024) primarily involve payables to municipalities for concession fees for the gas distribution business.

Payables to the CSEA (296,584 thousand euro; 92,300 thousand euro as at 31 December 2024) mainly relate to several ancillary components of tariffs for the gas distribution service to be paid to the Fund (RE, RS, UG1 and GS)¹⁵⁴ for the remaining amount. The increase is due to the acquisition and subsequent merger of the company 2i Rete Gas.

Amortised cost method was not applied considering that the effects arising from its application are irrelevant, because they are due within the next 12 months and any costs, commissions and any other difference between the initial value and the maturity value are negligible.

20) Other current and non-current financial assets/liabilities

The market value of the derivative financial instruments as at 31 December 2025 is analysed below:

(€ thousands)	As of 31 December 2024			As of 31 December 2025		
	Current	Non-current	Total	Current	Non-current	Total
Other assets	5,878	10,982	16,860	4,547	8,730	13,277
Derivative financial instruments Cash flow hedge						
- Fair value interest rate hedging instruments	4,727	10,436	15,163	3,708	8,277	11,985
Derivative financial instruments for foreign exchange risk						
- Fair value instruments for foreign exchange risk	1,151	546	1,697	839	453	1,292
Other liabilities				(87)	0	(87)
Derivative financial instruments Cash flow hedge						
- Fair value interest rate hedging instruments	0	0	0	(87)	0	(87)

Other current and non-current assets for 13,277 thousand euro (16,860 thousand euro as at 31 December 2024) is mainly related to the fair value of derivative financial instruments to hedge the risk of fluctuations in interest rates accounting for according to IFRS 9 in hedge accounting.

On 12 December 2016 Italgas entered into an EIB loan for 300 million euro, expiring on 30 November 2032. The loan involves the payment of half-yearly coupons at a variable rate of Euribor 6M + spread 0.47%. On 24 July 2019 Italgas also entered into an Interest Rate Swap (IRS), effective from 24 July 2019, expiring in 2029 and with the same coupon frequency as the loans.

The IRS characteristics are summarised below:

	Date stipulated	Amount	ITG rate	Bank rate	Coupon	Expiration date
IRS derivative	24.07.2019	175,000,000	(0.06)%	var EUR 6m	half-yearly	30.11.2029

¹⁵⁴ These components refer to: (i) RE - Variable portion to cover the expenses for calculating and implementing energy savings and the development of renewable energy sources in the natural gas sector; (ii) RS - Variable portion as coverage for expenses for gas services quality; (iii) UG1 - Variable portion to cover any imbalances in the equalisation system and to cover any adjustments; and (iv) GS - Variable portion to cover the tariff compensation system for economically disadvantaged customers.

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The derivatives stipulated to hedge the interest rate are booked according to the rules of hedge accounting. The effectiveness testing carried out as at 31 December 2025 did not show any impacts on the income statement in terms of ineffectiveness.

The item also contains, for 1,292 thousand euro, the fair value of derivative financial instruments used to hedge exchange rate risk on future USD-denominated payment flows related to Picarro invoices. The Group did not apply hedge accounting under IFRS 9 for instruments to hedge payment flows in USD, as it is for operational hedging only.

	Date stipulated	Initial amount USD hedging	Residual value as of 31.12.2025 USD	Foreign exchange rate on the subscription date	Expiry date (last hedge)
Foreign exchange risk derivative	15.01.2021	16,300,000.00	1,380,000.00	1.2131	31.07.2026
Foreign exchange risk derivative	20.05.2024	2,340,000.00	1,560,000.00	1.1161	15.07.2027

21) Other current and non-current non-financial liabilities

Other current non-financial liabilities, amounting to 45,653 thousand euro (14,063 thousand euro as at 31 December 2024) and other non-current non-financial liabilities, amounting to 1,227,210 thousand euro (566,985 thousand euro as at 31 December 2024), are broken down as follows:

(€ thousands)	As of 31 December 2024			As of 31 December 2025		
	Current	Non-current	Total	Current	Non-current	Total
Other tax liabilities	13,630		13,630	41,642		41,642
Other liabilities related to connection fees		527,667	527,667		1,162,657	1,162,657
Other liabilities for works prepayments		16,317	16,317		16,800	16,800
Liabilities for security deposits		15,689	15,689		43,515	43,515
Sundry other	433	7,312	7,745	4,011	4,238	8,249
Other current and non-current non-financial liabilities	14,063	566,985	581,048	45,653	1,227,210	1,272,863

Current indirect tax liabilities of 41,642 thousand euro mainly refer to payables to the tax authorities for IRPEF withholdings for employees.

Other non-current liabilities, amounting to 1,227,210 thousand euro, mainly refer to gas connection contributions (1,161,837 thousand euro), water connection contributions (820 thousand euro), liabilities for works prepayments for 16,800 thousand euro related to Acquedotto della Campania Occidentale (ACO) and liabilities for security deposits for 43,515 thousand euro. The increase in liabilities relating to connection fees is due to the entry into the scope of consolidation of the companies of 2i Rete Gas.

22) Provisions for risks and charges

Provisions for risks and charges, amounting to 120,390 thousand euro as at 31 December 2025 (92,122 thousand euro as at 31 December 2024), comprise the following:

(€ thousand)	As of 31 December 2024						
	Opening balance	Change in scope of consolidation	Provisions	Discounting	Uses against charges	Releases	Closing balance
Provisions for environmental risks and charges	42,896	8,053	3	41	(11,106)	0	40,678
Provisions for site decommissioning risks and charges	4,977	0	0	238	(375)	0	4,402
Risk provision for litigation	8,108	2,948	2,768	0	(2,689)	(2,113)	9,165
Provisions for other risks - energy efficiency certificates	4,334	3,005	798	0	(26)	(6,906)	1,353
Other personnel risk provisions	12,993	100	(1,749)	0	(10,872)	(2,368)	(8,125)
Risk provision for tax disputes	283	319	70	0	(10)	0	249
Other provisions	18,531	40,829	2,732	0	(2,724)	(2,900)	56,378
Provisions for risks and charges	92,122	65,956	4,622	279	(27,802)	(14,287)	104,100

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As of 31 December 2025								
(€ thousand)	Opening balance	Change in scope of consolidation	Provisions	Discounting	Uses against charges	Releases	Other changes	Closing balance
Provisions for environmental risks and charges	40,678	0	(3)	693	712	0	(2,454)	39,626
Provisions for site decommissioning risks and charges	4,402	0	0	(200)	0	0	200	4,402
Risk provision for litigation	9,165	100	1,303	0	(45)	(1,205)	(129)	9,189
Provisions for other risks - energy efficiency certificates	1,353	0	716	0	(172)	497	(148)	2,246
Other personnel risk provisions	(8,125)	(100)	516	(100)	(10,539)	(1,750)	3,629	(16,469)
Risk provision for tax disputes	249	(1)	0	0	(248)	0	224	224
Provision for risks on concessions	0	28,335	2,306	0	(1,038)	(1,353)	4,308	32,558
Other provisions	56,378	(28,335)	(1,610)	0	(1,855)	1,335	(3,063)	22,850
Provisions for risks and charges	104,100	(1)	3,228	393	(13,185)	(2,476)	2,567	94,626

Provision for environmental risks and charges of 40,679 thousand euro (42,896 thousand euro as at 31 December 2024) mainly included costs for environmental soil reclamation, pursuant to Law no. 471/1999, as subsequently amended, primarily for the disposal of solid waste, in relation to the gas distribution business. The decrease of 2,217 thousand euro is mainly due to uses against charges incurred during the financial year (9,662 thousand euro), partially offset by the entry into the scope of consolidation of the companies of 2i Rete Gas (8,053 thousand euro).

Discounting was carried out using a rates curve representative of the risk-free rate.

Risk provision for litigation (9,165 thousand euro as at 31 December 2025 and 8,107 thousand euro as at 31 December 2024) included costs which the Group has estimated it will incur for existing lawsuits. For further information, please see subsection "Disputes and other measures".

Energy Efficiency Certificates (EEC) risk provision of 1,352 thousand euro (4,334 thousand euro as at 31 December 2024) represents the Group's estimated liability for fulfilling the obligations to deliver Energy Efficiency Certificates (EEC) arising from gas distribution activities in Italy.

The Provision for personnel risks of 8,611 thousand euro (13,138 thousand euro as at 31 December 2024) involves personnel incentive and mobility schemes.

Other provisions, amounting to 23,375 thousand euro (18,387 thousand euro as at 31 December 2024), include estimated charges for various disputes related to the gas distribution service. The increase is mainly due to the contribution of the companies of 2i Rete Gas (14,036 thousand euro).

The effects on provisions of risks and charges arising from a reasonably possible change to the discount rate used at year-end are shown below. The sensitivity analysis on the discounting rates shows the change in value of the actuarial liabilities obtained with the year-end assessment data, by changing the discounting rate, without prejudice to other hypotheses.

(€ thousands)	% change in discounting rates	
Effect on net obligation at 31.12.2025	10% reduction	10% increase
Provision for site decommissioning risks and charges	160	(153)
Provisions for environmental risks and charges	382	(373)

23) Provisions for employee benefits

Provisions for employee benefits, amounting to 80,450 thousand euro as at 31 December 2025 (61,279 thousand euro as at 31 December 2024) comprise the following:

(€ thousands)	As of 31 December 2024	As of 31 December 2025
Employee severance pay (TFR)	43,153	56,832
Supplementary healthcare provision for company executives of Eni (FISDE)	6,179	7,044
Gas Fund	8,200	11,637
Other provisions for employee benefits	3,747	4,937
Provisions for employee benefits	61,279	80,450

Employee severance fund (TFR) (56,832 thousand euro as at 31 December 2025 and 43,153 thousand euro as at 31 December 2024), governed by Article 2120 of the Italian Civil Code, represents the estimated liability determined on the basis of actuarial procedures for the amount to be paid to employees at the time that the employment is terminated. The principal amount of the benefit is equal to the sum of portions of the allocation calculated on compensation items paid during the employment and revalued until the time that such

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relationship is terminated. Due to the legislative changes introduced from 1 January 2007 for companies with more than 50 employees, a significant part of severance pay to be accrued is classified as a defined-contribution plan since the company's only obligation is to pay the contributions to the pension funds or to INPS.

The supplementary healthcare provision (FISDE) (7,044 thousand euro as at 31 December 2025 and 6,179 thousand euro as at 31 December 2024) includes the estimate of costs (determined on an actuarial basis) related to contributions benefiting current¹⁵⁵ and retired executives.

FISDE provides financial supplementary healthcare benefits to Eni Group¹⁵⁶ executives and retired executives whose most recent contract of employment was as an executive with the Eni Group. FISDE is funded through the payment of: (i) contributions from member companies; (ii) contributions from individual members for themselves and their immediate family; and (iii) ad hoc contributions for specific benefits. The amount of the liability and the healthcare cost are determined on the basis, as an approximation of the estimated healthcare expenses paid by the fund, of the contributions paid by the company in favour of pensioners.

The Gas Fund (11,637 thousand euro as at 31 December 2025 and 8,200 thousand euro as at 31 December 2024) relates to the estimate, made on an actuarial basis, of the charges sustained by the employer due to the elimination, as at 1 December 2015, of the fund pursuant to Law no. 125 of 6 August 2015. In particular, Articles 9-decies and 9-undecies of the Law stipulate that the employer must cover: (i) an extraordinary contribution to cover expenses related to supplementary pension benefits in place at the time of the elimination of the Gas Fund for the years 2015 to 2020¹⁵⁷; and (ii) a contribution in favour of those registered or in voluntary continuation of the contribution, that as at 30 November 2015 were not entitled to supplementary pension benefits from the eliminated Gas Fund, of 1% for each year of registration in the supplementary fund, multiplied by the social security tax base relating to the same supplementary fund for 2014, to be allocated through the employer or the supplementary pension scheme.

At present, the criteria, procedures and time periods for payment of the extraordinary contribution have not yet been announced. Employee selection of where the amounts would be allocated (supplementary pension scheme or to the employer) were concluded, pursuant to the law, on 14 February 2016.

The other provisions for employee benefits (4,937 thousand euro as at 31 December 2025 and 3,747 thousand euro as at 31 December 2024) relate to seniority bonuses and the long-term incentive plans (LTI).

Long-term incentive plans (IAS 19) envisage, after three years of assignment, the disbursement of a variable monetary benefit linked to a corporate performance parameter, not linked to the share price. Obtaining the benefit depends on the achievement of certain future performance levels and is conditional on the beneficiary remaining with the Company for the three-year period following the allocation (the "vesting period"). This benefit is allocated pro rata over the three-year period depending on the final performance parameters.

Seniority bonuses are benefits paid upon reaching a minimum service period at the Company and are paid in kind.

Deferred cash incentive plans, long-term cash incentive plans and seniority bonuses are classified as other long-term benefits pursuant to IAS 19.

The composition of and changes in provisions for employee benefits, determined by applying actuarial methods, are as follows¹⁵⁸:

(€ thousands)	As of 31 December 2024					As of 31 December 2025				
	Employee severance fund	FISDE	Gas Fund	Other provisions	Total	Employee severance fund	FISDE	Gas Fund	Other provisions	Total
Current value of the obligation at the start of the year	46,233	6,556	8,487	4,054	65,330	43,153	6,179	8,200	3,747	61,279
Current cost	1,208	165		1,493	2,866	1,236	165	0	1,496	2,897
Cost for interest	1,250	209	321	93	1,873	1,249	202	279	77	1,807
Revaluations / (Impairment):	184	(751)	999	(280)	152	632	(893)	(66)	(22)	(349)

¹⁵⁵ For executives in service, contributions are calculated from the year in which the employee retires and refer to the years of service provided.

¹⁵⁶ The fund provides the same benefits for Italgas Group executives.

¹⁵⁷ Article 9-quinquiesdecies also stipulates that "... If monitoring shows that the extraordinary contribution pursuant to Article 9-decies is insufficient to cover the relative expenses, a decree issued by the Ministry of Labour and Social Policy, in concert with the Ministry of Economic Development and the Ministry of Economy and Finance, provides for the redetermination of the extraordinary contribution, the criteria for redistribution of the contribution between employers and the time periods and procedures for payment of the extraordinary INPS contribution".

¹⁵⁸ The table also provides a reconciliation of liabilities recorded for provisions for employee benefits.

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- Actuarial (Gains) / Losses resulting from changes in the demographic assumptions	157	(119)	658	1	697	0	0	0	0	0
- Actuarial (Gains) / Losses resulting from changes in the financial assumptions	464	(535)	(71)	14	(128)	(313)	(382)	(51)	2	(744)
- Actuarial (Gains) / Losses from past experience adjustments	(1,398)	(97)	410	(25)	(1,110)	945	(511)	(15)	(24)	395
- Other changes	961		2	(270)	693	0	0	0	0	0
Paid benefits	(5,724)		(1,609)	(1,613)	(8,946)	(8,266)	0	(1,629)	(361)	(10,256)
Effect of transfers	2		2		4	18,828	1,391	4,853	0	25,072
Current value of the obligation at the end of the year	43,153	6,179	8,200	3,747	61,279	56,832	7,044	11,637	4,937	80,450

The main actuarial assumptions used to determine liabilities at the end of the year and to calculate the cost for the following year are indicated in the table below.

	As of 31 December 2024				As of 31 December 2025			
	Employee severance fund	FISDE	Gas Fund	Other provisions	Employee severance fund	FISDE	Gas Fund	Other provisions
Discount rate (%)	2.67	3.26	2.63	2.83	2.90	3.88	2.75	2.87
Inflation rate (%) (*)	1.60	1.70	N/A	1.80	1.60	1.70	N/A	1.75

(*) With reference to the other provisions, the rate refers only to the seniority bonuses

The discount rate adopted was determined by considering the yields on corporate bonds issued by Eurozone companies with AA ratings.

The employee benefit plans recognised by Italgas are subject, in particular, to interest rate risk, in the sense that a change in the discount rate could result in a significant change in the liability.

The table below illustrates the effects of a reasonably possible change¹⁵⁹ in the discount rate at the end of the year. The sensitivity of the discount rate represents the change in the value of the actuarial liability obtained using the end-of-year valuation data, changing the discount rate by a certain number of basis points, without any change in the other assumptions.

(€ thousands)	Discount rate			
	reduction		increase	
	%	amount	%	amount
Effect on net obligation at 31.12.2025				
Employment severance pay	2.40	867	3.40	(834)
FISDE	3.38	303	4.38	(277)
Gas Fund	2.25	215	3.25	(208)
Other provisions for employee benefits	2.37	92	3.37	(87)
Effect on net obligation at 31.12.2024		1,477		(1,406)

The maturity profile of the obligations for employee benefit plans is shown in the following table:

	As of 31 December 2024					As of 31 December 2025				
(€ thousands)	Employee severance fund	FISDE	Gas Fund	Other provisions	Total	Employee severance fund	FISDE	Gas Fund	Other provisions	Total
Within the next year	10,865	346	1,341	2,006	14,558	16,967	361	3,078	2,307	22,713
Within five years	19,988	1,139	5,267	1,111	27,505	25,761	1,195	6,218	2,079	35,253
Beyond five and up to ten years	9,233	1,050	1,523	554	12,360	12,266	1,087	2,341	508	16,202
Beyond ten years	3,067	3,644	69	76	6,856	1,838	4,401	0	43	6,282
	43,153	6,179	8,200	3,747	61,279	56,832	7,044	11,637	4,937	80,450

24) Deferred tax liabilities

Net deferred tax liabilities of 12,243 thousand euro (48,345 thousand euro as at 31 December 2024) are stated net of offsettable prepaid taxes and are analysed in the tables below:

(€ thousands)	As of 31 December 2023	Business combination	Provisions	Uses	Other changes	As of 31 December 2024
Deferred tax liabilities	335,469	3,981	9,278	(17,566)	(2,612)	328,550

¹⁵⁹ With reference to the FISDE, any changes relating to mortality do not have significant effects on the liability.

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Deferred tax assets	(287,689)	(1,196)	(25,826)	26,836	7,670	(280,205)
Net deferred tax liabilities	47,780	2,785	(16,548)	9,270	5,058	48,345

(€ thousands)	As of 31 December 2024	Business combination	Provisions	Uses	Other changes	As of 31 December 2025
Deferred tax liabilities	328,550	290,308	25,747	(47,836)	(16,175)	580,594
Deferred tax assets	(280,205)	(285,804)	(46,011)	37,064	6,605	(568,351)
Net deferred tax liabilities	48,345	4,504	(20,264)	(10,772)	(9,570)	12,243

There are no deferred taxes which cannot be offset.

Deferred tax liabilities and deferred tax assets break down as follows, based on the most significant temporary differences:

As of 31 December 2024									
(€ thousands)	Opening balance	Business combination	Provisions	Uses	Impacts recorded in equity	Other changes	Closing balance	of which: IRES	of which: IRAP
Deferred tax liabilities	335,469	3,981	9,278	(17,566)	(8,417)	5,805	328,550	301,441	27,109
Amortisation and depreciation exclusively for tax purposes	166,777		5,411	(7,895)		3,667	167,960	158,930	9,030
Revaluations of property, plant and equipment	73,644			(5,243)		42,359	110,760	94,205	16,555
Capital gains subject to deferred taxation	4,614			(2,075)		117	2,656	2,656	
Employee benefits	12,200	8		(38)	1	(10,942)	1,229	1,229	
Capitalisation of financial expense	2,090			(123)			1,967	1,674	293
Impairment losses on receivables in excess of tax deductibility	298		374	(99)		995	1,568	1,564	4
Other temporary differences	75,846	3,973	3,493	(2,093)	(8,418)	(30,391)	42,410	41,183	1,227
Deferred tax assets	(287,689)	(1,196)	(25,826)	26,836	4,996	2,674	(280,205)	(262,765)	(17,440)
Provisions for risks and charges and other non-deductible provisions	(30,786)	(260)	(1,589)	11,100		(12,601)	(34,136)	(29,543)	(4,593)
Non-repayable and contractual grants	(50,024)			2,684		(28,933)	(76,273)	(65,903)	(10,370)
Non-deductible amortisation and depreciation	(171,009)	(450)	(22,773)	8,852		36,345	(149,035)	(148,184)	(851)
Employee benefits	(6,069)	(6)	(1,185)	632	249	(3,024)	(9,403)	(8,043)	(1,360)
Other temporary differences	(29,801)	(480)	(279)	3,568	4,747	10,887	(11,358)	(11,092)	(266)
Net deferred tax liabilities	47,780	2,785	(16,548)	9,270	(3,421)	8,479	48,345	38,676	9,669

As of 31 December 2025									
(€ thousands)	Opening balance	Business combination	Provisions	Uses	Impacts recorded in equity	Other changes	Closing balance	of which: IRES	of which: IRAP
Deferred tax liabilities	328,550	290,308	25,747	(47,836)	(2,948)	(13,227)	580,594	521,551	59,043
Amortisation and depreciation exclusively for tax purposes	167,960	18,170	10,582	(9,497)		(38,954)	148,261	139,701	8,559
Revaluations of property, plant and equipment	110,760	157,315	654	(15,436)		(10,982)	242,311	204,452	37,860
Capital gains subject to deferred taxation	2,656		349	(1,509)		(15)	1,481	1,481	-
Employee benefits	1,229	837	134	(81)	(1,183)	1,351	2,287	2,282	5
Capitalisation of financial expense	1,967			(121)			1,846	1,571	275
Impairment losses on receivables in excess of tax deductibility	1,568	5,390	1,188	(6,223)		122,427	124,350	112,905	11,445
Other temporary differences	42,410	108,596	12,840	(14,969)	(1,765)	(87,054)	60,058	59,159	899
Deferred tax assets	(280,205)	(285,804)	(46,010)	37,063	(721)	7,326	(568,351)	(534,816)	(33,535)
Provisions for risks and charges and other non-deductible provisions	(34,136)	(30,947)	(3,184)	21,368		(21,899)	(68,798)	(59,534)	(10,004)
Non-repayable and contractual grants	(76,273)	(20,314)		2,755		(4,923)	(98,755)	(86,080)	(12,673)
Non-deductible amortisation and depreciation	(149,035)	(156,763)	(34,681)	9,402		(37,142)	(368,219)	(360,427)	(8,142)
Employee benefits	(9,403)	(7,140)	(1,215)	1,045	(261)	819	(16,155)	(13,852)	(2,304)
Other temporary differences	(11,358)	(70,640)	(6,930)	2,494	(460)	70,471	(16,424)	(14,923)	(412)
Net deferred tax liabilities	48,345	4,504	(20,263)	(10,773)	(3,669)	(5,901)	12,243	(13,265)	25,508

Deferred tax assets and deferred tax liabilities are classified as non-current.

The Group has booked prepaid taxes on the timing differences at 31 December 2025, insofar as it believes it is likely they will be recovered. As of 31 December 2025, based on the business plan, the Group Management has assessed the recoverability of prepaid taxes on tax losses attributable to the Enaon Group as reasonably certain.

Section "Income taxes" provides information about taxes for the year.

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25) Equity

Equity, which amounts to 4,165,951 thousand euro as at 31 December 2025 (2,793,508 thousand euro as at 31 December 2024) breaks down as follows:

(€ thousands)	As of 31 December 2024	As of 31 December 2025
Equity attributable to the Owners of the parent company	2,457,917	3,818,913
Share capital	1,003,844	1,257,355
Legal reserve	200,769	200,896
Share premium reserve	628,395	1,387,572
Reserve Cash flow hedge on derivative contracts	11,524	9,109
First-time consolidation reserve	(323,907)	(323,907)
Reserve for business combinations under common control	(349,839)	(349,839)
Stock grant reserve	8,232	11,002
OCI Fair value valuation reserve for equity investments	319	(660)
Other reserves	7,520	14,427
Retained earnings	799,635	948,789
OCI Reserve for remeasurement of defined-benefit plans for employees	(7,429)	(8,151)
Net profit for the year	478,854	672,320
Equity attributable to non-controlling interests	335,591	347,038
Equity	2,793,508	4,165,951

Share capital

Share capital as of 31 December 2025 consisted of 1,015,686,402 shares without nominal value (811,242,309 as of 31 December 2024), with a total value of 1,257,355 thousand euro (1,003,844 thousand euro as of 31 December 2024).

On 6 May 2024, the Italgas Shareholders' Meeting approved the 2024-2025 Co-investment Plan and the proposed free share capital increase, in one or more tranches, for the purposes of the aforesaid 2024-2025 Co-investment Plan for a maximum nominal amount of 3,720,000 euro, by means of the issuance of up to 3,000,000 new ordinary shares. These shares are to be assigned, in accordance with Article 2349 of the Italian Civil Code, for a corresponding maximum amount taken from retained earning reserves, to the beneficiaries of the Plan only; in other words, only to employees of the Company and/or of the companies in the Group.

On 12 February 2025, in execution of the 2021-2023 Co-Investment Plan approved by the Ordinary and Extraordinary Shareholders' Meeting of 20 April 2021, the Board of Directors resolved on the free allocation of a total of 511,604 new ordinary shares of the Company to the beneficiaries of said Plan (second cycle of the Plan) and executed the second tranche of the share capital increase resolved on by the aforesaid Shareholders' Meeting, for a nominal amount of 634,388.96 euro, taken from retained earning reserves.

On 10 April 2025, the Extraordinary Shareholders' Meeting of Italgas approved the proposal for a paid Rights Issue for a maximum total amount of 1.02 billion euro. The rights issue was successfully completed in June 2025 with the issue of 202,938,478 new shares. Furthermore, the Extraordinary Shareholders' Meeting approved a proposal for a free share capital increase, in one or more tranches, for a maximum nominal amount of 558,000 euro. This increase will be funded through the allocation, pursuant to Article 2349 of the Italian Civil Code, of a corresponding maximum amount from retained earnings reserves. The increase will involve the issuance of up to 450,000 ordinary shares, which will be reserved for the beneficiaries of the Stock Grant Plan. At the Ordinary Shareholders' Meeting of Italgas S.p.A. held on 10 April 2025, the 2025-2027 employee share ownership plan, called the "IGrant 2025–2027 Plan", was approved, which provides for the allocation of ordinary shares to Group employees, excluding senior management positions, using shares deriving from two related share capital increases pursuant to Article 2349 of the Italian Civil Code. Starting in September 2025, Italgas executed the transactions envisaged by the Employee Share Ownership Plan (PAD), approved with the objective of fostering the direct engagement with the Group's people in the creation of medium/long-term value. Over 60% of eligible employees took part in this initiative and the plan aims to strengthen the alignment of employee and shareholder interests. To service the plan, new ordinary shares were issued in October and December through capital increases free of charge and against payment.

Legal reserve

The legal reserve as at 31 December 2025 stood at 200,896 thousand euro. The increase of 127 thousand euro relates to the resolution of the Shareholders' Meeting of 13 May 2025.

Share premium reserve

The share premium reserve, amounting to 1,387,572 thousand euro (628,395 thousand euro as at 31 December 2024), was created following the acquisition of the equity investment in Italgas Reti S.p.A. The increase of 759,177 thousand euro compared with 31 December 2024 relates to the completion, in June 2025, of the 1.02 billion euro capital increase (202,938,478 shares at 3.786 euro per share) for 768,325 thousand euro, the implementation of the co-investment plans for 2,312 thousand euro and the implementation of the employee share ownership plan for 6,703 thousand euro. These effects were partially offset by the recognition, as required by IAS 32 and IAS 38, of the net costs incurred in connection with the capital increase, net of the proceeds from the sale of unexercised option rights (-18,163 thousand euro).

OCI Reserve Cash Flow Hedge on derivative contracts

The reserve, amounting to 9,109 thousand euro (11,524 thousand euro as at 31 December 2024), includes the fair value of the IRS derivative net of the related tax effect. The reserve changes with the accounting of cash flows deriving from instruments which, for the purposes of IFRS 9, are designated as “cash flow hedging instruments”. The related tax effect is reported in the “tax effect” item of the “Components reclassifiable to the income statement” in the Statement of Comprehensive Income.

First-time consolidation reserve

The first-time consolidation reserve, negative for 323,907 thousand euro, was determined during the first-time consolidation (year 2016) following the sale by Snam S.p.A. to Italgas S.p.A. of 38.87% of the equity investment in Italgas Reti S.p.A. (include the difference between the purchase cost of the equity investment of Italgas Reti and the related shareholders' equity pertaining to the group).

Reserve for business combinations under common control

The reserve for business combinations under common control, negative for 349,839 thousand euro, relates to the acquisition by Snam S.p.A. of 38.87% of the equity investment in Italgas Reti S.p.A. occurred in 2016. To this regard it should be specified that the natural gas distribution activities were acquired through three simultaneous transactions (transfer, sale and demerger) of the equity investment held by Snam S.p.A. in Italgas Reti S.p.A. in favour of Italgas S.p.A. This transaction led to the deconsolidation of the natural gas distribution sector for Snam, and the acquisition of the equity investment in Italgas Reti and, at consolidated level, of the net assets of the gas distribution sector for Italgas S.p.A. The reader is reminded that the shareholder of reference of Snam, CDP, is simultaneously the shareholder of reference of Italgas. The exposure described above reflects an approach based on the continuity of carrying amount (as regards Snam) since the transaction represents an “aggregation of corporate entities or activities under common control” within the scope of the broader group of which Italgas is part. The companies taking part in the business combination (Snam, Italgas and Italgas Reti) remained subject to control because of the transactions and therefore they were fully consolidated by the same subject (CDP) pursuant to the IFRS 10.

Stock grant reserve

The reserve, amounting to 11,002 thousand euro (8,232 thousand euro as at 31 December 2024), includes the valuation pursuant to IFRS 2 of the co-investment plans approved by the Italgas S.p.A. Shareholders' Meeting.

Italgas Shareholders' Meeting held on 20 April 2021 approved the 2021-2023 co-investment Plan and the proposed free share capital increase, in one or more tranches, for the purposes of the aforesaid 2021-2023 co-investment Plan for a maximum nominal amount of 5,580,000.00 euro, by means of the issuance of up to 4,500,000 new ordinary shares to be assigned free of charge, by means of assignment pursuant to Article 2349 of the Italian Civil Code, for a corresponding maximum amount taken from retained earning reserves, to the beneficiaries of the Plan only; in other words, only to employees of the Company and/or of the companies in the Group.

In connection with this plan, the Board of Directors attributed, upon the recommendation of the Appointments and Compensation Committee and in keeping with the 2021 Remuneration Policy, rights to receive 254,765 Italgas shares for the 2021-2023 co-investment plan. The unitary fair value per share is 5.55 euro.

On 6 May 2024, the Italgas Shareholders' Meeting approved the 2024-2025 co-investment Plan and the proposed free share capital increase, in one or more tranches, for the purposes of the aforesaid 2024-2025 Co-investment Plan for a maximum nominal amount of 3,720,000 euro, by means of the issuance of up to 3,000,000 new ordinary shares. These shares are to be assigned, in accordance with Article 2349 of the Italian Civil Code, for a corresponding maximum amount taken from retained earning reserves, to the beneficiaries of the Plan only; in other words, only to employees of the Company and/or of the companies in the Group.

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OCI Fair value valuation reserve for equity investments

The fair value valuation reserve for -660 thousand euro (319 thousand euro as at 31 December 2024) includes the change in fair value, net of tax effects, of non-controlling interests which on initial recognition were designated as valued at FVTOCI (fair value recognised through other comprehensive income). For more details, see the note "Non-current financial assets".

Other reserves

The other reserves relate to the effects deriving from the valuation of equity investments.

OCI Reserve for remeasurement of defined-benefit plans for employees

The negative reserve for remeasurement of employee benefit plans for 8,151 thousand euro as at 31 December 2025 (negative for 7,429 as at 31 December 2024) included actuarial losses, net of the related tax effect, recognised under other components of comprehensive income pursuant to IAS 19. The changes in the reserve during the course of the year are shown below:

(€ thousands)	Gross reserve	Tax effect	Net reserve
Reserve as of 31 December 2023	(9,773)	2,749	(7,024)
Changes of the year 2024	(533)	128	(405)
Reserve as of 31 December 2024	(10,306)	2,877	(7,429)
Changes of the year 2025	(949)	227	(722)
Reserve as of 31 December 2025	(11,255)	3,104	(8,151)

Equity attributable to non-controlling interests

The Equity attributable to non-controlling interests is broken down below:

(€ thousands)	Equity attributable to non-controlling interests as of 31 December 2024	Equity attributable to non-controlling interests as of 31 December 2025	Net income attributable to non-controlling interests as of 31 December 2024	Net income attributable to non-controlling interests as of 31 December 2025
Toscana Energia S.p.A.	215,934	227,449	21,831	24,598
Medea S.p.A.	62,858	61,849	3,326	2,454
Geoside S.p.A.	18,859	19,845	(758)	1,004
Italgas Newco subconsolidated	33,882	34,805	3,981	4,758
Immogas S.r.l.	2,396	0	(92)	0
Idrosicilia S.p.A.	761	592	34	8
Acqua Campania S.p.A.	652	838	232	186
LAC S.r.l.	249	278	27	29
Cilento Reti Gas S.r.l.		2,078		438
2i Rete Gas S.p.A.		(696)		
Total	335,591	347,038	28,581	33,475

Dividends

In its meeting of 3 March 2026, the Board of Directors proposed to the Shareholders' Meeting the payment of an ordinary dividend of 0.432 euro per share. The dividend will be paid out as at 20 May 2026, with an ex-coupon date of 18 May 2026 and a record date of 19 May 2026.

Reconciliation statement of the result for the year and of the shareholders' equity of Italgas S.p.A. with the consolidated ones.

(€ thousands)	Profit 2025	Equity as of 31 December 2025
Financial statements Italgas S.p.A.	356,102	3,003,455
Profit of the companies included in the consolidation	796,193	
Difference between carrying amount of investments consolidated companies and shareholders' equity of the financial statements, including the result		875,486
Adjustments consolidation:		
Dividends net of the tax effect	(445,907)	

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Income from valuation of equity investments with the equity method and other income from equity investments	7,541	70,580
Other consolidation adjustments net of the tax effect	(8,134)	216,430
Attributable to non-controlling interests	(33,475)	(347,038)
Adjustments consolidation	316,218	815,458
Consolidated financial statements Group	672,320	3,818,913

26) Guarantees, commitments and risks

Guarantees, commitments and risks, amounting to 2,375,610 thousand euro as at 31 December 2025 (2,015,158 thousand euro as at 31 December 2024) comprise:

(€ thousands)	As of 31 December 2024	As of 31 December 2025
Bank guarantees given in the interest of Group companies	505,240	579,645
Financial commitments and risks:	1,509,918	1,795,965
Commitments	1,275,737	1,570,004
Commitments for the purchase of goods and services	1,275,737	1,570,004
Risks	234,181	225,961
- for compensation and litigation	234,181	225,961
Total	2,015,158	2,375,610

Guarantees

Guarantees of 579,645 thousand euro (505,240 thousand euro as at 31 December 2024) refer mainly to guarantees issued with regard to sureties and other guarantees issued in the favour of subsidiaries.

In addition, it should be noted that as part of the transaction for the acquisition of ERG's share capital and the sale of assets, Medea issued two guarantees of 66 million euro on the loan obtained by ERG in preparation for the transaction.

Commitments

As 31 December 2025, commitments amounted to 1,570,004 thousand euro (1,275,737 thousand euro as at 31 December 2024) and refer to commitments with suppliers to purchase property, plant and equipment and provide services relating to the purchase of property, plant and equipment and intangible assets under construction.

In addition, the residual commitments made by the Italgas Group with the Contracting Authorities for the implementation of investments arising from the awarding of gas distribution service area tenders amount to approximately 1,182.9 million euro. Furthermore, the Italgas Group made commitments with the Municipalities with existing non-expired concessions, including new methane gasifications, and concessions assigned on the basis of Italian Legislative Decree no. 164/2000, known as the "Letta Decree", for over 23.6 million euro.

In Greece, with Decision E-22/2025 published in the Official Gazette of the Greek government B' 2042/28.04.2025, a Development Programme was approved for the company Enaon EDA for the natural gas distribution networks in the regions of Attica, Thessaloniki, Thessalia and remainder of Greece for the 2025-2029 period for a total of 627.2 million euro in investments. As at 31 December 2025, the residual investment commitment of the programme amounted to approximately 502 million euro. In accordance with the time frames envisaged by Greek regulation, the process to define the Development Programme for the 2026-2030 period is ongoing.

The investments will be predominantly allocated to the development and upgrading of the gas distribution network in Italy and Greece.

Other unvalued commitments

The acquisition of the equity investment of Enerco Distribuzione by the subsidiary Italgas Reti, which took place in 2017, is subject to an ownership price adjustment (so-called "earn-out") clause.

The acquisition of the "Alessandria 4 ATEM" business unit by the subsidiary Italgas Reti, which took place in 2020, is subject to a price adjustment (so-called "earn-out") clause if the Alessandria 4 ATEM tender is awarded within 10 years of the signing date and if the contracting authority in the aforesaid tender procedure recognises a higher reimbursement value than the pro-forma value under the agreement, for the same year of reference. On 27 December 2022, Alia Servizi Ambientali S.p.A. ("Alia"), Toscana Energia and Italgas signed a contract concerning, among other things, options, on the basis of which Italgas is entitled to purchase 30,134,618

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shares held in Toscana Energia by Alia, amounting to approximately 20.6099% of the share capital of Toscana Energia (“Alia’s TE Shares” and “Toscana Energia Call Option”).

In accordance with the terms and conditions set out by the contract, on 14 January 2025 Italgas exercised the Toscana Energia Call Option by sending the relative notice to Alia. The envisaged contractual price to purchase Alia’s TE shares is to be determined as the “fair market value” at the date of execution of the Toscana Energia Call Option, calculated by an international financial institution named jointly by the parties.

As part of the investment agreement signed on 26 July 2022, and subsequently amended, between Energetica S.p.A. and Medea S.p.A. related to the entry of the latter into the share capital of Energie Rete Gas S.r.l. (“ERG”) for a 49% stake through the contribution and subsequent sale to Erg of assets and activities of Medea relating to gas transmission (“Medea ERG Transaction”), the Parties, *inter alia*, agreed to restore the legal situation prior to the Medea ERG Transaction if ERG does not obtain, (i) recognition, from the competent ministry, among the infrastructure and/or regional transmission services of natural gas of ERG, and (ii) recognition, under the tariff regulatory profile, as regional transport service. In 2023, Medea and ERG signed a service agreement that provides that Medea will pay ERG a fee for the transport service provided by ERG. This agreement was necessary for the management of the transitional period; once ERG obtains the transport authorisation and tariff recognition, the agreement will be terminated.

On 3 November 2025, the Decree of the President of the Council of Ministers entitled “Identification of works and infrastructure necessary for the phase-out of coal use in Sardinia and for the decarbonisation of the island’s industrial sectors” (so-called Sardinia DPCM) was published in the Official Gazette. The measure, which has nationwide effect, confirms the tariff equalisation mechanism in favour of entities carrying out road transport activities for LNG and the related ancillary infrastructure. The Decree also provides that, within 180 days of its entry into force, ARERA shall define the regulatory and tariff framework for the recognition of these activities as regional transport services. In light of the above, ERG may consider the “Transport Authorisation” for the activities carried out in Sardinia to have been obtained. Consistent with this framework, the pool of banks financing the ERG transaction approved an extension to 30 June 2026 of the deadline relating to tariff recognition and also authorised the use of the financing for the acquisition of LNG facilities already completed by that date.

The acquisition in 2023 of the business unit to which the concessions held in Italy in the water sector belonged is subject to an ownership price adjustment (so-called “earn-out”) clause, to be determined for four years according to annual measurements based on net takings on certain receivables by the associated companies Siciliacque and Acqualatina..

Risks

Risks concerning compensation and litigation (225,961 thousand euro) relate to possible claims for compensation arising from ongoing litigation, with a low probability that the pertinent economic risk will arise.

FINANCIAL RISK MANAGEMENT

Foreword

Italgas has established the Enterprise Risk Management (ERM) unit, which reports directly to the CFO and oversees the integrated process of managing corporate risk for all Group companies. The main objectives of the ERM are to define a homogeneous and transversal risk assessment model, to identify priority risks and to guarantee the consolidation of mitigation actions and the development of a reporting system.

The ERM methodology adopted by the Italgas Group is in line with the reference models and existing international best practices (COSO Framework and ISO 31000).

The ERM unit operates as part of the wider Italgas’ Internal Control and Risk Management System.

The main corporate financial risks identified, monitored and, where specified below, managed by Italgas are as follows:

- risk arising from exposure to fluctuations in interest rates;
- credit risk arising from the possibility of counterparty default;
- liquidity risk arising from not having sufficient funds to meet short-term financial commitments;
- rating risk;
- debt covenant and default risk.

There follows a description of Italgas’ policies and principles for the management and control of the risks arising from the financial instruments listed above. In accordance with IFRS 7 - “Financial instruments: Additional information”, there are also descriptions of the nature and size of the risks resulting from such instruments.

Information on other risks affecting the business (operational risk and risks specific to the segment in which Italgas operates) can be found in the “Elements of risk and uncertainty” section of the Directors’ Report.

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Interest rate risk

Fluctuations in interest rates affect the market value of Italgas' financial assets and liabilities and its net financial expense.

An increase in interest rates, not implemented – in full or in part – in the regulatory WACC, could have negative effects on the assets and on the economic and financial situation of the Italgas Group for the variable component of the debt in place and for future loans.

At full performance, Italgas aims to maintain a debt ratio between a fixed rate and floating rate to minimise the risk of rising interest rates. As at 31 December 2025 the financial debt at floating rate was 20.2% and at fixed rate was 79.8%. Please refer to the paragraph "Short-term and long-term financial liabilities" for further details.

Below are the impacts on equity and the net period result at 31 December 2025 of a hypothetical positive and negative variation of 10 basis points (bps) of the interest rates effectively applied during the year.

(€ thousands)	Result of the income statement		Other items of the statement of comprehensive income	
	interest +10 bps	interest - 10 bps	interest +10 bps	interest - 10 bps
Variable-rate loans not hedged				
Effect of change in interest rate	(2,150)	2,150		
Variable-rate loans converted into fixed-rate loans by means of IRSs				
Effect of change in interest rate on the fair value of the hedge derivative contracts - effective portion of hedge			452	(455)
Impacts gross of the tax effect				
Tax effect	516	(516)	(109)	109
Impacts net of the tax effect	(1,634)	1,634	344	(346)

Credit risk

Credit risk is the exposure to potential losses arising from counterparties failing to fulfil their obligations. Default or delayed payment of amounts owed may have a negative impact on the Italgas financial results and financial situation.

The rules for customer access to the gas distribution service in Italy are established by the relevant regulatory Authority and set out in the Network Codes, namely, in documents that establish, for each type of service, the rules regulating the rights and obligations of the parties involved in the process of providing said services and contain contractual conditions that reduce the risk of non-compliance by customers, such as the provision of bank or insurance guarantees on first request.

In addition to this, in order to manage credit risk, the Group has established procedures for monitoring and assessing its customer portfolio. The reference markets are the Italian and Greek markets.

In the energy efficiency sector activities, credit risk is mitigated by the use of incentive instruments (mainly the Superbonus) – the latter in any case being influenced by the risk of managing the obligations that allow for the tax recognition of the credits – which guarantee the financial hedging of significant portions of the amounts of the interventions. In this context, the contracts entered into by the Group provide for clauses that guarantee the possibility of recourse against customers in the event that the incentive cannot be obtained/withdrawn. Recourse against customers, however, implies continued exposure to credit risk.

As at 31 December 2025 there were no significant credit risks. Note that on average: (i) in Italy, 97.4% of trade receivables relating to gas distribution are settled by the due date and 99.6% within the next 4 days; (ii) in Greece, an average of 95.0% of trade receivables relating to gas distribution are settled by the due date and almost all within the next 4 days, confirming the strong reliability of the customers.

It cannot be ruled out that Italgas could incur liabilities and/or losses due to its customers' failure to fulfil their payment obligations.

Please refer to note "Trade and other receivables" for the breakdown of receivable by due date bracket.

Liquidity risk

Liquidity risk is the risk that new financial resources may not be available (funding liquidity risk) or that the company may be unable to convert assets into cash on the market (asset liquidity risk), meaning that it cannot meet its payment commitments. This may affect profit or loss should the company incur extra costs to meet its commitments or, in extreme cases, lead to insolvency and threaten the company's future as a going concern.

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Also on the basis of the investment plans in place and the transactions contemplated in the short term, Italgas does not expect any significant negative impact on liquidity risk considering that: (i) the Company has liquidity deposited with primary credit institutions for an amount of 531,933 million euro as at 31 December 2025; (ii) on 16 May 2025, Italgas signed two floating-rate bank loans with leading credit institutions, each amounting to 300 million euro (for a total of 600 million euro) and with a duration of 3 years; (iii) on 17 June 2025, Italgas signed a floating-rate bank loan with a leading credit institution, for a total amount of 300 million euro and a duration of 3 years; (iv) as at 31 December 2025, Italgas had a Euro Medium Term Notes (EMTN) programme in place, in addition to funding from the banking system, which currently allow the issue of the remaining bonds worth a nominal 5.0 billion euro to be placed with institutional investors.

Italgas aims, in financial terms, at establishing a financial structure that, in line with its business objectives, ensures a level adequate for the group in terms of the duration and composition of the debt. The achievement of this financial structure will take place through the monitoring of certain key parameters, such as the ratio between debt and the RAB, the ratio between short-term and medium-/long-term debt, the ratio between fixed rate and floating rate debt and the ratio between bank credit granted and bank credit used.

Although the Italgas Group has relationships with diversified counterparties with a high credit standing, based on a policy of managing and continuously monitoring their active credit risk, the default of an active counterparty or the difficulty of selling off assets on the market could have a negative impact on the Italgas Group's financial position and performance.

Future payments for financial liabilities, trade and other payables

The table below shows the repayment plan contractually established in relation to the financial debt, liabilities for leased assets and IFRIC12, including interest payments, trade and other payables:

(€ thousands)	Due date							
	Balance as of 31.12.2024	Balance as of 31.12.2025	2026	2027	2028	2029	2030	Beyond
Financial liabilities								
Bank loans	983,391	2,628,354	322,847	221,756	1,495,904	99,062	99,062	389,722
Notes	5,818,260	8,607,895	550,864	1,520,051	497,541	1,870,600	1,092,728	3,076,111
Current liabilities	250,334	2,069	2,069					
Interest on notes			167,436	159,823	135,845	135,845	92,320	198,970
Interest on bank loans			251,916	26,814	26,728	26,643	26,570	4,220
Lease liabilities (IFRS 16 and IFRC 12)	90,483	132,704	54,922	20,397	17,362	14,504	8,970	16,549
Interest of lease liabilities (IFRS 16 and IFRC 12)			2,567	1,527	1,004	558	222	281
Other shareholders loans	43,400	44,620	44,620					
Trade and other payables	1,184,609	1,775,822	1,775,822					
	8,370,477	13,191,464	3,173,063	1,950,368	2,174,384	2,147,212	1,319,872	3,685,853

As for the sensitivity on the interest rate, any changes in interest rates do not lead to significant effects in consideration of the fact that 79.8% of the Group's financial debt is at fixed rate.

Rating risk

Among the factors that define the risk perceived by the market, creditworthiness, assigned to Italgas by rating agencies, plays a decisive role since it influences the ability to access sources of financing and the related economic conditions. A worsening of this creditworthiness could, therefore, limit access to the capital market and/or increase the cost of financing sources, with consequent negative effects on the Group's financial position and performance.

On 1 July 2025, the rating agency S&P assigned a long-term credit rating of "BBB+", Stable Outlook, to both Italgas and Italgas Reti.

On 4 July 2025, the rating agency Moody's confirmed the long-term credit rating of Italgas as "Baa2", with Stable outlook.

On 16 December 2025 Fitch confirmed the long-term rating of Italgas S.p.A as BBB+, with Stable outlook.

Based on the methodologies adopted by the rating agencies, the downgrade of one notch in the Italian Republic's current rating could trigger a downward adjustment in Italgas' current rating, which in turn could have an impact on the cost of future debt.

Debt covenant and default risk

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There are no loan agreements containing financial covenants and / or secured by collateral, with the exception of the EIB loan signed by Toscana Energia which provides for compliance with certain financial covenants. Some of these contracts provide, inter alia, for the following: (i) negative pledge undertakings, pursuant to which Italgas and the subsidiaries are subject to limitations regarding the creation of real rights of guarantee or other restrictions concerning all or part of the respective assets, shares or goods; (ii) pari passu and change of control clauses; (iii) limitations on some extraordinary transactions that the company and its subsidiaries may carry out. As at 31 December 2025, these commitments were respected.

The notes issued by Italgas as at 31 December 2025 as part of the Euro Medium Term Notes programme provide for compliance with covenants that reflect international market practices regarding, inter alia, negative pledge and pari passu clauses.

Failure to comply with the commitments established for these loans - in some cases only when this non-compliance is not remedied within a set time period - and the occurrence of other events, such as cross-default events, some of which are subject to specific threshold values, may result in Italgas' failure to comply and could trigger the early repayment of the related loan.

With reference to the EIB, the related contracts contain a clause whereby, in the event of a significant loss of concessions, there is a disclosure obligation to the EIB and a subsequent consultation period, after which the early repayment of the loan may be required.

The Group monitors these cases closely in the context of financial management and business performance.

Market value of financial instruments

Below is the classification of financial assets and liabilities measured at fair value in the Statement of Financial Position in accordance with the fair value hierarchy defined on the basis of the significance of the inputs used in the measurement process. More specifically, in accordance with the characteristics of the inputs used for measurement, the fair value hierarchy comprises the following levels:

- level 1: listed prices (unadjusted) on active markets for identical financial assets or liabilities;
- level 2: measurements made on the basis of inputs differing from the quoted prices referred to in the previous point, which, for the assets/liabilities submitted for measurement, are directly (prices) or indirectly (price derivatives) observable;
- level 3: inputs not based on observable market data.

In connection with the above, classification of the assets and liabilities measured at fair value in the Statement of Financial Position according to fair value concerned the IRS and exchange rate derivative instruments (13,277 thousand euro as of 31 December 2025 and 16,860 thousand euro as of 31 December 2024) classified level 2 and recorded under in Note 20 "Other current and non-current financial assets "/liabilities".

Equity investments measured at fair value in Note 16 "Non-current financial assets" (25,268 thousand euro as of 31 December 2025 and 20,359 thousand euro as of 31 December 2024) increased for 4,909 thousand euro. The change in value includes the acquisition of additional stakes in Picarro (3,929 thousand euro), the effect on the income statement regarding the valuation of Reti Distribuzione (2,107 thousand euro) and the effect on OCI of the valuation of Picarro (979 thousand euro) and fall under the level 3 fair value category.

Other information on financial instruments

With reference to the categories established by IFRS 9 "Financial instruments", the carrying amount of financial instruments and their relative effects on results and on equity can be analysed as follows:

	Carrying amount		Income / expense recognised to income statement		Income / expense recognised to shareholders' equity (a)	
	Balance as at 31.12.2024	Balance as at 31.12.2025	Balance as at 31.12.2024	Balance as at 31.12.2025	Balance as at 31.12.2024	Balance as at 31.12.2025
Financial instruments measured at amortised cost						
- Cash	402,662	531,933				
- Current financial assets	3,592	4,004				
- Trade and other receivables	893,667	1,407,264				
- Non-current financial assets	10,982	8,730				
- Other current and non-current non- financial assets	863,306	831,287				
- Trade and other payables	1,184,609	1,775,822				
- Financial payables (a)	7,185,868	11,415,642	(122,362)	(246,532)		
- Other current and non-current non- financial liabilities	581,048	1,272,863				

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- Financial instruments measured at fair value

- Other investments	20,359	25,268	468	763
- Financial assets (liabilities) for hedge derivative contracts	16,775	13,277	15,163	(3,178)

(a) The effects on the income statement are recognized under the item "Financial income/(charges)"

The table below provides a comparison between the book value of financial assets and liabilities and their respective fair value.

(€ thousands)	Balance as at 31.12.2024		Balance as at 31.12.2025	
	Carrying amount	Market value	Carrying amount	Market value
Financial instruments measured at amortised cost				
- Non-current financial debt	6,187,329	5,775,157	10,413,445	10,221,022

The carrying amount of trade receivables, other receivables and financial payables is close to the related fair value measurement, given the short period of time between when the receivable or the financial payable arises and its due date.

Disputes and other measures

Italgas is involved in civil, administrative and criminal cases and legal actions related to its normal business activities. According to the information currently available and considering the existing risks, Italgas believes that these proceedings and actions will not have material adverse effects on its consolidated financial statements.

Below is a summary of the most significant proceedings; no provisions have been made pursuant to IAS 37 for these proceedings in the financial statements, as the company deems that the risk of an adverse outcome is possible, but not likely, or the amount of the allocation cannot be reliably estimated.

Civil dispute

Italgas Reti S.p.A. / Municipality of Rome – Rome Civil Court

The Municipality of Rome charged Italgas Reti with alleged contractual breaches relating to delays in the execution of the business plan for the gas distribution service, initiating a procedure for the application of penalties in 2019. Italgas Reti rejected the charge and appealed against the acts of the Municipality, which, with resolution of 19 December 2019, quantified the penalties as 91,853,392.79 euro, reserving the right to enforce the bank guarantee issued to guarantee the contract. A complex question of jurisdiction arose during the dispute, resolved by the Supreme Court on 12 January 2021 in favour of the Ordinary Court, before which Italgas Reti resumed the proceedings on 11 February 2021. At the same time, took action for damages against the Municipality of Rome for 106,290,396.25 euro, for damages arising from alleged contractual breaches of the Administration; this proceeding was also resumed before the Ordinary Court of Rome and was combined with the one concerning the penalties. In July 2023, the judge ordered an Expert's Report (CTU) which was carried out in the course of 2024. At the hearing of 11 December 2024, having taken note of the findings of the CTU, the Court invited the parties to reach a settlement of the dispute, adjourning the hearing to 1 July 2025 and subsequently to 3 December 2025, the date on which the case was adjourned for decision, without affecting the possibility of an agreement between the parties. By order of 17 November 2021, the Court of Rome suspended the effects of the penalty quantification measure and prevented the Municipality of Rome from enforcing the bank guarantee given to guarantee the payment claims.

Also on the basis of an external legal opinion, the Company, at present, does not believe that the risk of losing the dispute it's more likely than not.

Municipality of Venice / Italgas Reti S.p.A. – Court of Venice

On 24 April 2019, the Municipality of Venice served Italgas Reti a writ of summons before the Court of Venice, requesting payment of 59,006,552.03 euro as a consideration for the use of the portion of the network subject to free acquisition, with reference to the period between 1 June 2010 and 31 December 2018, as well as additional sums due until the final judgement.

Italgas Reti fully disputed the claim of the Municipality, arguing that the network was acquired free of charge, that no regulatory basis exists for determining the fee on the basis of the ARERA tariffs and that the fee relating to the assets of the so-called Block A had already been included in the fee agreed with a later additional deed. Alternatively, the Company requested the redetermination of any “reasonable” fee for the period between 1 January 2013 and 31 December 2018, subsequent to the expiry by law of the concession on 31 December 2012, in addition to the return of any sums paid and not due.

During the case, having initiated the document exchange, the Court ordered the acquisition of additional documentation and, subsequently, deemed it necessary to proceed with an Expert's Report (CTU). The expert appraisal operations have been completed and the hearing for the examination of the CTU was held on 10 July 2025. The judgement was then postponed to the hearing of 26 June 2026 for the closing arguments.

Supported by a technical and economic appraisal issued by an expert and on the basis of an external legal opinion, the Company does not believe that the risk of losing the dispute it's more likely than not.

Municipality of Cavallino Treporti / Italgas Reti S.p.A. – Court of Venice

Following the judgement of the Council of State on the acquisition free of charge of the assets included in Block A, the Municipality of Cavallino-Treporti brought a civil proceeding before the Court of Venice in order to obtain payment of the sums that it deemed due for the use by Italgas Reti of such assets.

The proceeding of first instance was completed with judgement of 27 June 2022, with which the Court of Venice fully rejected the request of the Municipality. The Municipality then filed an appeal, but the Court of Appeal of Venice, with judgement of 22 April 2024, rejected the challenge, albeit raising several doubts as to the jurisdiction. Subsequently, the Municipality of Cavallino-Treporti lodged a Supreme Court appeal, Italgas Reti filed an appearance and, at this stage, a date for the hearing is currently pending. The total amount subject to the proceeding (claim) is 4,699,129.00 euro. It should be noted that Italgas Reti manages the natural gas distribution service in the territory of the Municipality of Cavallino-Treporti on the basis of the same concession agreements in place with the Municipality of Venice, since the Municipality of Cavallino-Treporti was established in 1999 as a spin-off portion of the Venetian municipal territory.

Supported by an external legal opinion, the Company does not, at present, believe that the risk of losing the dispute it's more likely than not.

Publiservizi S.p.A. / Italgas S.p.A. – Florence Court

On 25 July 2019, Publiservizi, also an agent of other Municipalities with stakes in Toscana Energia S.p.A., summoned Italgas S.p.A. to appear for an alleged breach of the shareholders' agreement of 28 June 2018, requesting the acquisition of 3% of the capital of Toscana Energia at the price of 70,000,000.00 euro, or the execution of the agreement, or, alternatively, compensation for damages for 59,800,000.00 euro.

With judgement of 11 June 2024, the Court of Florence fully rejected the requests of Publiservizi. On 13 January 2025, Publiservizi (now Alia) filed an appeal before the Court of Appeal of Florence. The hearing is scheduled for 17 April 2026.

Criminal dispute

The main criminal disputes in which the Group is involved are set out below.

Italgas Reti S.p.A. – Ravanusa Event

The Public Prosecutor's Office of Agrigento opened an investigation into the explosion that occurred in Ravanusa on 11 December 2021, which took the lives of 9 people and caused serious damage to the buildings. In December 2021, notices of indictment were served on ten Italgas Reti employees to allow for technical assessments that could not be repeated. The investigations found a breakage in a steel pipe installed in 1988 by Siciliana Gas S.p.A. and confirmed the presence of odorant in the gas. In May 2023, the Public Prosecutor's Office asked for all defendants of Italgas Reti to be dismissed, proceeding instead against parties of Siciliana Gas S.p.A. and the contracting firm of the works. Two criminal proceedings took place: the first, against the employees of Italgas Reti, concluded with a decree of dismissal on 16 December 2025; the second is still pending and involves Italgas Reti S.p.A. as the civilly liable party, with the hearing for the examination of witnesses scheduled for 12 March 2026. Following the event, at the request of the Municipality of Ravanusa, Italgas Reti also carried out a project for the removal of the rubble, completed in 2023.

Informative priorities ESMA 2024

For the purposes of the 2025 Financial Report, Italgas has taken into account the ESMA recommendations, which draw attention to the uncertainties of the macroeconomic and geopolitical context and their potential impacts on the economic-financial position. In particular, ESMA requests clear and specific disclosures about the effects of these uncertainties on the results, valuations, estimates and sensitivity analyses.

The recommendations also include: (i) the consistency between financial statement disclosures and sustainability reporting, in particular on climate-related matters; (ii) the valuation as early as in the 2025 financial statements of the impacts of the updates to IFRS 9 and IFRS 7 (nature-dependent electricity supply contracts) and of IFRS 18 on financial statements, information systems and communications; (iii) the focus on the consistency and stability of the alternative performance measures (APMs).

Lastly, ESMA places specific focus on segment information (IFRS 8), requesting full disclosure on the criteria used to identify the segments, any changes, the correct allocation of revenues and costs and the relevant factors affecting impairment tests.

The Group has considered these issues for the purposes of preparing the consolidated financial statements as of 31 December 2025.

Climate-related risks and impairment

The Group monitors risks associated with climate change through the Enterprise Risk Management (ERM) system, distinguishing between physical risks, associated with the increase in extreme weather events and average temperatures in the areas of operation, and transition risks, associated with regulatory developments concerning emissions, technological development and the uncertainty of the future role of natural gas in the energy mix. For physical risks, Italgas implements continuous monitoring of the integrity of infrastructure and uses innovative technologies to promptly identify any critical issues and to limit impacts on the service. Transition risks are managed through investments in technological innovation, digitisation of the network and adaptation of infrastructure to the distribution of alternative gases, such as hydrogen, biomethane and e-gas, as well as energy efficiency and emissions reduction projects. The rise in temperatures and transition dynamics could have an impact on the number of active redelivery points and on revenues, effects mitigated by the regulatory mechanisms introduced by ARERA that provide for adjustments to revenues. Similarly, the risk associated with demand for gas is mitigated by the revenue hedging mechanisms set forth in the current natural gas distribution tariff system.

Similarly, due to the systematic monitoring of its assets and the areas on which they are located, the Italgas Group is able to identify in advance possible situations that could generate the emergence of potential liabilities related to climate risks.

International Tax Reform – Pillar Two Model Rules

The provisions apply to undertakings operating in Italy and Greece belonging to multinational or national groups with consolidated annual revenues of 750 million euro or higher, calculated as an average in at least two of the four financial years immediately prior to the reporting year. The objective of the legislation is to ensure that such undertakings are subject to an effective minimum tax rate of 15%, with possible tax supplements required in jurisdictions that do not reach this level.

The legislation applies to Italgas and its “minority investees” (i.e., other “entities” consolidated line by line by CDP in which Italgas holds a “controlling interest”) that qualify as a “minority subgroup”, attributable to the CDP Group. The latter has as its “ultimate parent company,” Cassa Depositi e Prestiti S.p.A. (CDP), which qualifies as the Ultimate Parent Entity (UPE), as it consolidates various “entities” on a “line-by-line basis” (including CDP Reti and Italgas, as well as other entities in which Italgas holds interests) and is not, in turn, consolidated on a “line-by-line basis” by another “entity”.

On the basis of the information collected and processed in accordance with the applicable regulatory provisions, a reasonable estimate was made of the Italgas Group's exposure to income taxes as at 31 December 2025. Based on the estimate performed, no liabilities for top-up taxation arise.

Public funds received in Italy

With reference to the new rules introduced by Law no. 124 of 4 August 2017 “Annual competition law”, under Article 1, paragraphs 125-129, please note that the following grants from public authorities relating to the construction of gas networks in Italy were collected in 2025.

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Beneficiary	Grantor			Type of transaction	Amount €
	Designation Company name	Tax code	VAT Number		
ITALGAS RETI S.p.A.	MINISTERO DELL'ISTRUZIONE E DEL MERITO	80185250588	80185250588	Progetto NIMBUS	2,995,924
ITALGAS RETI S.p.A.	AUTORITÀ DI REGOLAZIONE PER ENERGIA RETI E AMBIENTE	97190020152	97190020152	P2G Sestu	156,825
ITALGAS RETI S.p.A.	PROCIDA	634830632	634830632	Contributi conto impianti - L.R. 3 APRILE 1995, N. 25 e - LEGGE REGIONALE 27.12.2001, N. 84	2,338,532
CILENTO RETI GAS S.r.l.	CAMEROTA	84001750656	1534590656	Contributi conto impianti - L.R. 3 APRILE 1995, N. 25 e - LEGGE REGIONALE 27.12.2001, N. 84	351,148
CILENTO RETI GAS S.r.l.	CASALETTO SPARTANO	84001470651	775920655	Contributi conto impianti - L.R. 3 APRILE 1995, N. 25 e - LEGGE REGIONALE 27.12.2001, N. 84	278,788
CILENTO RETI GAS S.r.l.	CASELLE IN PITTARI	84001470651	775940653	Contributi conto impianti - L.R. 3 APRILE 1995, N. 25 e - LEGGE REGIONALE 27.12.2001, N. 84	41,681
CILENTO RETI GAS S.r.l.	MORIGERATI	84001730658	3548800659	Contributi conto impianti - L.R. 3 APRILE 1995, N. 25 e - LEGGE REGIONALE 27.12.2001, N. 84	11,720
CILENTO RETI GAS S.r.l.	ROCCAGLORIOSA	84001770654	891180655	Contributi conto impianti - L.R. 3 APRILE 1995, N. 25 e - LEGGE REGIONALE 27.12.2001, N. 84	121,382
CILENTO RETI GAS S.r.l.	SAN GIOVANNI A PIRO	84001430655	2745400651	Contributi conto impianti - L.R. 3 APRILE 1995, N. 25 e - LEGGE REGIONALE 27.12.2001, N. 84	859,984
CILENTO RETI GAS S.r.l.	TORTORELLA	84001490659	2441730658	Contributi conto impianti - L.R. 3 APRILE 1995, N. 25 e - LEGGE REGIONALE 27.12.2001, N. 84	10,157
MEDEA S.p.A.	ORUNE	161070917	161070917	Contributi conto impianti - L.R. 3 APRILE 1995, N. 25 e - LEGGE REGIONALE 27.12.2001, N. 84	1,136,363
MEDEA S.p.A.	SANT'ANNA ARRESI	81001910926	01351570922	Contributi conto impianti - L.R. 3 APRILE 1995, N. 25 e - LEGGE REGIONALE 27.12.2001, N. 84	1,453,254
MEDEA S.p.A.	SANT'ANNA ARRESI	81001910926	01351570922	Contributi conto impianti - L.R. 3 APRILE 1995, N. 25 e - LEGGE REGIONALE 27.12.2001, N. 84	4,273
TOTAL					9,760,031

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27) Revenues and other income

The breakdown of revenues and other income is shown in the following table.

(€ thousands)	For the year ended 31 December 2024	For the year ended 31 December 2025
Revenues	2,478,644	3,508,303
Other income	60,792	80,846
	2,539,436	3,589,149

Group revenues are generated in Italy and Greece.

An analysis of revenue by operating segment is provided in Note 34 "Information by operating segment".

Revenues from related parties are described in Note 36 "Related party transactions".

Revenues

Revenues, which amount to 3,508,303 thousand euro (2,478,644 thousand euro as at 31 December 2024), are analysed in the table below:

(€ thousands)	For the year ended 31 December 2024	For the year ended 31 December 2025
Gas distribution	1,536,573	2,224,455
Revenues for infrastructure construction and improvements (IFRIC 12)	746,503	995,630
Technical assistance, engineering, IT and various services	53,109	68,429
Energy efficiency interventions	31,869	76,002
Integrated water service	96,125	94,764
Release of connection contributions relating to the year	0	31,451
Other EScO revenues	14,358	16,533
Sale of other products	107	1,039
	2,478,644	3,508,303

Revenues refer primarily to the consideration for the natural gas distribution service and other gas regulated revenues (2,224,455 thousand euro as at 31 December 2025 and 1,536,573 thousand euro as at 31 December 2024) and revenues deriving from the construction and upgrading of gas and water distribution infrastructure connected with concession agreements pursuant to IFRIC 12 (995,630 thousand euro as at 31 December 2025 and 746,503 thousand euro as at 31 December 2024) and the pro-rata release during the year of connection fees paid by end users at the time of connection to the network (34,982 thousand euro as at 31 December 2025 and 18,999 thousand euro as at 31 December 2024).

Gas distribution revenues in Italy are reported net of the tariff components in addition to the tariff applied to cover gas system expenses of a general nature totalling 461,590 thousand euro as at 31 December 2025 (135,460 thousand euro as at 31 December 2024). The amounts in question are paid, where positive, or charged, where negative, for an equal amount, to the CSEA.

Gas distribution revenues increased by 87,882 thousand euro compared with 31 December 2024, reflecting the benefits of the new scope resulting from the acquisition of 2i Rete Gas companies. Despite the significant decrease in the WACC (-51.6 million euro), the item increased as a result of the growth in RAB, mainly due to investments made during the period and the effect of the deflator, as well as the impact in 2025 of higher operating costs recognised for tariff purposes under Resolution no. 87/2025/R/gas.

This revenues refers to natural gas distribution on behalf of all commercial operators requesting access to the networks of the distribution companies and include the effects arising from (i) the implementation of Resolution no. 737/2022/R/gas in terms of recognition of the residual value of smart meters of a class not exceeding G6 produced up to the year 2016 and commissioned by the year 2018, (ii) the higher revenues associated with the contribution pursuant to Article 57 of ARERA Resolution no. 570/2019/R/gas relating to the replacement of traditional meters with electronic smart meters and the recovery of non-depreciation (so-called IRMA) pursuant to Consultation Document DCO 545/2020/R/gas, Resolution no. 570/2019/R/gas, Resolution no. 287/2021 and Determination no. 3/2021.

Revenues from energy efficiency measures, amounting to 76,002 thousand euro as at 31 December 2025 (31,869 thousand euro as at 31 December 2024), increased thanks to the contribution of new energy efficiency projects developed throughout the financial year as part of the new incentive schemes (Superbonus and Ecobonus).

Revenues from integrated water service for 94,764 thousand euro as at 31 December 2025 (96,125 thousand euro as at 31 December 2024) relate to water collection, supply, transport, distribution and sale in Campania.

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Other income

Other income, which amounted to 80,846 thousand euro as at 31 December 2025 (60,792 thousand euro as at 31 December 2024), can be broken down as follows:

(€ thousands)	For the year ended 31 December 2024	For the year ended 31 December 2025
Income from gas distribution service safety recovery incentives	2,436	38,156
Plant safety assessment pursuant to ARERA Resolution no. 40/04	1,541	1,521
Other income from regulated activities	9,721	16,401
Release of connection contributions relating to the year	18,999	0
Capital gains from sale of assets	1,892	832
Sundry management refunds and chargebacks	18,148	12,364
Contractual penalties receivable	418	1,986
Income from real estate investments	287	374
Revenues from seconded personnel	1,215	1,386
Sundry other	6,135	7,826
	60,792	80,846

Income from regulatory incentives relating to safety in the gas distribution service, amounting to 38,156 thousand euro, relates to reimbursements recognised by the Authority in connection with the achievement of qualitative and technical standards for the natural gas distribution service. The increase is attributable, on the one hand, to the cessation of the effects of Resolution no. 490/2024/R/gas, which in 2024 had resulted in the cancellation of the bonuses relating to the safety of the gas distribution service for the year 2020, with the consequent non-recognition of income of approximately 24.0 million euro, and, on the other hand, to the new scope resulting from the acquisition of 2i Rete Gas.

Refunds and operating charge-backs include 12,364 thousand euro of reimbursements from suppliers related to faulty meters under warranty.

Other income from regulated activities, amounting to 16,401 thousand euro, relates to reimbursements for bad debts and increased due to the new scope arising from the acquisition of 2i Rete Gas.

28) Costs and other operating expenses

The breakdown of costs and other expenses, amounting to 1,684,911 thousand euro as at 31 December 2025 (1,220,732 thousand euro as at 31 December 2024), is shown in the following table:

(€ thousands)	For the year ended 31 December 2024	For the year ended 31 December 2025
Purchase costs for raw materials, consumables, supplies and goods	168,459	190,307
Costs for services	606,581	869,391
Lease expenses	102,496	153,106
Personnel costs	291,004	405,385
Impairment of trade receivables net	(822)	2,605
Other operating expenses	60,921	76,963
<i>To be deducted:</i>		
Increases for own work	(7,907)	(12,846)
- of which costs for services	(2,036)	(8,542)
- of which labour costs	(5,871)	(4,304)
	1,220,732	1,684,911

Costs for raw materials, consumables, supplies and goods, amounting to 190,307 thousand euro (168,458 as at 31 December 2024), comprise the following:

(€ thousands)	For the year ended 31 December 2024	For the year ended 31 December 2025
Inventories	137,045	143,916
Purchase of gas	3,472	4,705
Purchase of water	195	293
Motive power and water lifting	22,704	26,290
		242

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Purchase of fuel	4,046	6,571
Consumables	996	8,532
	168,458	190,307

Inventories refer in particular to the acquisition of meters and gas pipes.

Purchase costs for raw materials, consumables, supplies and goods include costs relating to the construction and upgrading of gas distribution and water service infrastructure amounting to 131,357 thousand euro (127,284 thousand euro as at 31 December 2024), recorded in accordance with IFRIC 12.

Costs for services of 860,849 thousand euro (604,545 thousand euro as at 31 December 2024) relate to:

(€ thousands)	For the year ended 31 December 2024	For the year ended 31 December 2025
Project management and plant maintenance	414,957	606,945
Consultancy and professional services	67,110	109,074
Costs for personnel services	20,259	23,578
IT and telecommunications services	43,538	53,773
Electricity, water and other (utility) services	4,884	8,245
Insurance	6,840	13,293
Cleaning, security service and guard services	4,281	5,797
Advertising and entertainment	5,334	5,892
Costs for seconded personnel	698	987
Works performed on behalf of the Campania Region	13,832	11,211
Other services	40,374	40,093
Use of risk provision	(15,526)	(9,497)
	606,581	869,391
<i>To be deducted:</i>		
Increases for own work	(2,036)	(8,542)
	604,545	860,849

Costs for services include costs relating to the construction and upgrading of gas distribution and water distribution infrastructure amounting to 664,493 thousand euro (478,116 thousand euro as at 31 December 2024) recognised pursuant to IFRIC 12.

Costs for project management and plant maintenance planning (606,945 thousand euro as at 31 December 2025 and 414,957 thousand euro as at 31 December 2024) essentially relate to the extension and maintenance of gas distribution plants, as well as work carried out on buildings for energy efficiency purposes. The increase of 191,988 thousand euro is mainly attributable to the new scope resulting from the acquisition of 2i Rete Gas.

Lease expense, of 153,096 thousand euro (102,496 thousand euro as at 31 December 2024), regard:

(€ thousands)	For the year ended 31 December 2024	For the year ended 31 December 2025
Patent, license and concession fees	85,242	139,552
Leases and rentals	17,254	16,001
Use of risk and charges provision	0	(2,448)
	102,496	153,105

Fees, patents and licences (139,552 thousand euro as at 31 December 2025 and 85,242 thousand euro as at 31 December 2024) refer primarily to fees recognised to contracting parties for the running of natural gas distribution activities under concession.

Costs expenses include costs relating to the construction and upgrading of gas distribution infrastructure amounting to 15,662 thousand euro (16,425 thousand euro as at 31 December 2024) recognised in accordance with IFRIC 12.

Personnel costs, totalling 401,080 thousand euro (285,133 thousand euro as at 31 December 2024), breaks down as follows:

(€ thousands)	For the year ended 31 December 2024	For the year ended 31 December 2025
Wages and salaries	209,744	287,087
Social charges	60,684	84,551

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Employee benefits	16,659	23,993
Other expenses	3,917	9,753
	291,004	405,384
<i>To be deducted:</i>		
Increases for own work	(5,871)	(4,304)
	285,133	401,080

The item includes costs relating to the construction and upgrading of gas distribution infrastructure amounting to 173,538 thousand euro (118,104 thousand euro as at 31 December 2024) recognised pursuant to IFRIC 12.

Employee benefits (23,993 thousand euro as at 31 December 2025 and 16,659 thousand euro as at 31 December 2024) mainly regard the employee severance pay accrued, to be paid to pension funds or to INPS.

Other expenses of 9,753 thousand euro (3,917 thousand euro as at 31 December 2024), in particular refer to charges for the incentive plan for senior executives (co-investment plan) and the employee share ownership plan (IGrant plan).

For Stock Grant plans and employee share ownership plans for Company employees, the fair value of the option, determined at the time it is granted, is posted to the income statement as a cost throughout the vesting period, with a corresponding balancing item in a reserve under equity.

More details are provided in the “Provisions for employee benefits” note.

Average number of employees

The average number of payroll employees as at 31 December 2025 of the consolidated entities, broken down by status, is as follows:

Professional qualification	For the year ended 31 December 2024	For the year ended 31 December 2025
Executives	82	91
Middle Managers	431	499
Employess	2,513	3,113
Manual workers	1,312	1,625
	4,338	5,328

The average number of employees is calculated on the basis of the monthly number of employees for each category. The increase is mainly due to the acquisition of 2i Rete Gas.

There were 5,315 employees on average.

Remuneration due to key management personnel

The remuneration due to persons with powers and responsibilities for the planning, management and control of the Company, i.e. executive and non-executive directors, general managers and executives with strategic responsibilities (“key management personnel”), in office at 31 December 2025, amounted to 12,643 thousand euro and breaks down as follows:

(€ thousands)	For the year ended 31 December 2024	For the year ended 31 December 2025
Wages and salaries	8,081	10,161
Post-employment benefits	755	903
Other long-term benefits	1,466	1,579
	10,302	12,643

Remuneration due to Directors and Statutory Auditors

Remuneration due to Directors, except for the Chairperson and the CEO who form part of the key management personnel as explained in the foregoing paragraph, amounted to 3,776 thousand euro and remuneration due to Statutory Auditors amounted to 761 thousand euro (Article 2427, no. 16 of the Italian Civil Code). This remuneration includes emoluments and any other amounts relating to pay, pensions and healthcare due for the performance of duties as a director or statutory auditor giving rise to a cost for the Company, even if not subject to personal income taxes.

Other operating expenses, 76,964 thousand euro (60,921 thousand euro as at 31 December 2024), are analysed below:

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(€ thousands)	For the year ended 31 December 2024	For the year ended 31 December 2025
Other penalties	6,887	20,946
Indirect taxes, local taxes	5,697	11,572
Allocations to/releases from provision for risks and charges	673	(7,637)
Capital losses from disposal/recovery of property, plant and equipment and intangible assets	39,760	39,666
Sundry other	7,904	13,417
	60,921	77,964

Penalties amounting to 20,946 thousand euro (6,887 thousand euro as at 31 December 2024), mainly relate to the gas distribution sector and include costs associated with penalties for the difference between gas injected and gas withdrawn at the city gates pursuant to ARERA Resolution no. 386/2022/R/gas for the periods 2020-2022, 2021-2023 and 2022-2024, amounting to 8,374 thousand euro, costs for transactions, compensation and penalties.

Net to provisions for risks and charges totalled 7,637 thousand euro (provisions of 673 thousand euro as at 31 December 2024). For more details on the changes during the financial year, please refer to the note "Provisions for risks and charges".

The capital losses from the disposal/recovery of fixed assets (39,666 thousand euro as at 31 December 2025 and 39,760 thousand euro as at 31 December 2024) mainly relate to the replacement of meters, as well as pipes and connections.

Operating costs relating to the construction and upgrading of gas distribution and water service infrastructure connected with concession agreements pursuant to what is set forth in IFRIC 12, amount to 995,631 thousand euro and are broken down as follows:

(€ thousands)	For the year ended 31 December 2024	For the year ended 31 December 2025
Purchase costs for raw materials, consumables, supplies and goods	127,284	131,357
Costs for services	478,116	664,493
Costs for the use of third-party assets	16,425	15,662
Personnel cost	118,104	173,538
Other operating expenses	6,575	10,581
	746,504	995,631

29) Amortisation, depreciation and impairment of assets

Amortisation, depreciation and impairment of assets, totalling 693,087 thousand euro (536,555 thousand euro as at 31 December 2024), breaks down as follows:

(€ thousands)	For the year ended 31 December 2024	For the year ended 31 December 2025
Amortisation and depreciation	549,120	712,344
- Property, plant and equipment	20,547	25,139
- Right of use pursuant to IFRS 16	32,462	44,599
- Intangible assets	496,111	642,606
Impairment	(12,565)	(19,257)
	536,555	693,087

Net utilisations of intangible assets, amounting to 19,257 thousand euro (12,565 thousand euro in 2024), mainly refers to the use of the provision for impairment losses related to defective gas smart meters.

30) Net financial expense

Net financial expense, amounting to 236,378 thousand euro (120,666 thousand euro as at 31 December 2024), comprises:

(€ thousands)	For the year ended 31 December 2024	For the year ended 31 December 2025
Total financial expense	(122,362)	(239,814)
Financial expense	(139,862)	(246,482)
Financial income	17,500	6,668
Total financial income (expense)	1,317	3,929

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Other financial expenses	(9,704)	(10,827)
Other financial income	11,021	14,756
Gain/(loss) on derivatives measured at fair value	379	(493)
	(120,666)	(236,378)

Below is the breakdown of financial charges, financial income and other financial income and charges:

(€ thousands)	For the year ended 31 December 2024	For the year ended 31 December 2025
Net financial expense	(122,362)	(239,814)
Borrowing costs:	(139,862)	(246,482)
- Interest expense on bonds	(108,218)	(173,153)
- Commission expense on bank loans and credit lines	(4,824)	(11,062)
- Interest expense on credit line and loan expense due to banks and other lenders	(26,820)	(62,267)
Financial expense capitalised		
Income on financial receivables:	17,500	6,668
- Interest income and other income on financial receivables non-held for operations	17,500	6,668
Total net financial expense:	1,317	3,929
- Capitalised financial expense	1,293	69
- Financial income (expense) connected with the passing of time (accretion discount) (*)	(2,769)	(3,011)
- Expense for right of use pursuant to IFRS 16	(1,376)	(2,567)
- Other expenses	(6,852)	(5,318)
- Other income	11,021	14,756
Gain/(loss) on derivatives measured at fair value	379	(493)
	(120,666)	(236,378)

(*) The item relates to the increase in the provisions for risks and charges and provisions for employee benefits that are specified, at a discounted value, in the notes "Provisions for risks and charges" and "Provisions for employee benefits".

Net financial expense increased by 117,452 thousand euro compared to 2024, mainly as a result of the expenses relating to the so-called "Bridge" facility for the acquisition of 2i Rete Gas, the financial expense arising from the fair value measurement arising from the purchase price allocation of the bonds issued by 2i Rete Gas and the impact of the dual-tranche note issued in March 2025.

31) Net income from equity investments

Net income from equity investments, totalling 10,889 thousand euro (11,209 thousand euro as at 31 December 2024), breaks down as follows:

(€ thousands)	For the year ended 31 December 2024	For the year ended 31 December 2025
Share of the profit of investments in associates/joint ventures	9,945	8,701
Income from share of the profit of equity investments in associates/joint ventures	9,945	8,701
Other income from equity investments	1,264	2,188
Other income from equity investments	1,264	2,188
	11,209	10,889

Details of capital gains and capital losses accounted for using the equity method can be found in the note "Investments accounted for using the equity method".

Income from equity investments refers to the contribution deriving from equity investments in other companies (mainly Distribution Networks).

32) Income taxes

Income taxes for the year, amounting to 279,867 thousand euro (165,257 thousand euro as at 31 December 2024) comprise:

(€ thousands)	For the year ended 31 December 2024			
	IRES	IRAP	FOREIGN	Total
Current taxes	130,893	29,400	3,667	163,960
Current taxes for the year	156,056	33,292	3,667	193,015
Patent box	(18,311)	(3,639)		(21,950)
Adjustments for current taxes pertaining to previous years	(6,852)	(253)		(7,105)
Deferred and prepaid taxes	(12,261)	727	12,831	1,297
Deferred taxes	(13,412)	(1,186)	12,831	(1,767)
Prepaid taxes	(1,151)	(1,913)	0	(3,064)
	118,632	30,127	16,498	165,257

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	For the year ended 31 December 2025			
(€ thousands)	IRES	IRAP	FOREIGN	Total
Current taxes	255,812	54,869	222	310,903
Current taxes for the year	248,252	54,641	222	303,115
Adjustments for current taxes pertaining to previous years	7,560	228	0	7,788
Deferred and prepaid taxes	(46,459)	(575)	15,998	(31,036)
Deferred taxes	(34,316)	(3,771)	15,998	(22,089)
Prepaid taxes	12,143	(3,196)	0	8,947
	209,353	54,294	16,220	279,867

Income taxes include current taxes of 310,903 thousand euro (163,960 thousand euro as at 31 December 2024) and net deferred taxes of 31,036 thousand euro.

The rates applied and provided for by the Italian tax regulations for current taxes are 24% for IRES and 4.2% for IRAP. The rate applied and provided for by the Greek tax regulations for current taxes is 22%.

The reconciliation of the theoretical tax charge, calculated by applying the corporation tax (IRES) rate in force in Italy of 24%, with the actual tax charge for the year can be broken down as follows:

	For the year ended 31 December 2024		For the year ended 31 December 2025	
(€ thousands)	Tax rate	Balance	Tax rate	Balance
IRES and FOREIGN				
Profit before Tax		672,691		985,662
IRES tax calculated based on the theoretical tax rate	24.00%	161,446	24.00%	236,559
Tax effect on:				
- Income from equity investments	0.8%	5,179	0.5%	5,351
- Patent box	(2.7)%	(18,311)	0.0%	0
- Current taxes for previous years	(1.0)%	(6,852)	0.0%	460
- "Super Iper amortisation and depreciation" tax benefit	(1.3)%	(8,594)	(1.2)%	(12,120)
- Other permanent differences	0.3%	2,262	(0.5)%	(4,678)
IRES taxes for the year through profit or loss	20.1%	135,130	22.9%	225,572

	For the year ended 31 December 2024		For the year ended 31 December 2025	
(€ thousands)	Tax rate	Balance	Tax rate	Balance
IRAP				
Operating profit for IRAP		782,147		1,211,151
IRAP tax calculated based on the theoretical tax rate	4.2%	32,850	4.2%	50,868
Tax effect on:				
- Taxes for previous years	0.0%	(253)	0.0%	84
- Patent box	(0.5)%	(3,639)	0.0%	0
- Regional IRAP adjustments	0.6%	4,201	1.4%	4,263
- Other permanent differences	0.2%	(3,032)	(0.1)%	(920)
IRAP taxes for the year through profit or loss	4.5%	30,127	5.5%	54,295

An analysis of deferred tax assets and liabilities grouped based on the nature of the significant temporary differences that generated them can be found in the note "Deferred tax liabilities".

Taxes related to components of comprehensive income

Current and deferred taxes related to other components of comprehensive income can be broken down as follows:

	For the year ended 31 December 2024			For the year ended 31 December 2025		
(€ thousands)	Gross value	Tax impact	Net tax value	Gross value	Tax impact	Net tax value
Remeasurement of defined-benefit plans for employees	(629)	176	(453)	(1,005)	281	(724)
Change in fair value of investments measured at FVTOCI	106	(25)	81	(1,288)	309	(979)
Fair value gain/(loss) arising from hedging instruments during the period	(15,321)	3,677	(11,644)	(3,178)	763	(2,415)
Other components of comprehensive income	(15,844)	3,828	(12,016)	(5,471)	1,353	(4,118)
Deferred tax assets/liabilities		3,828			1,353	

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33) Earnings per share

Basic earnings per share, as defined by IAS 33, amounted to 0.713 euro per share (0.59 euro per share as at 31 December 2024) and were calculated by dividing the net profit attributable to Italgas, equal to 672,320 thousand euro (478,854 thousand euro as at 31 December 2024), by the weighted average number of Italgas shares outstanding during the period, equal to 942,746,244 shares (811,242,309 shares as at 31 December 2024). Adjusted earnings per share, calculated as the ratio of net adjusted profit attributable to Italgas to the total number of shares outstanding as at 31 December 2025, equal to 1,015,686,402, amounted to 0.664 euro per share (0.624 as at 31 December 2024).

Diluted earnings per share is calculated by dividing the net profit attributable to Italgas, amounting to 672,320 thousand euro, by the weighted average number of shares outstanding during the period, including the shares that could be added as a result of the assignment of shares under the Stock Grant Plans and the employee share ownership plan. The diluted earnings per share, calculated also considering the co-investment plan, was 0.705 euro per share (0.59 euro per share as at 31 December 2024).

34) Information by operating segment

In accordance with IFRS 8 "Operating Segments", the Group's identified segments as at 31 December 2025 are as follows:

- Gas distribution;
- Water service;
- Energy efficiency;
- Corporate.

Operating result (EBIT) is the key profit measure used by Group Management to assess performance and allocate resources to the Group's operating segments, as well as to analyse operating trends, perform analytical comparisons and benchmark performance between periods and among the segments. Operating result (EBIT) is defined as the net profit (or loss) for the financial year, before income taxes, net financial expense and net income from equity investments.

Investments in property, plant and equipment and Investments in intangible assets are the key measure used by the Group Management to allocate resources to the Group's operating segments.

The following tables summarise selected financial information by sector for the financial years ended 31 December 2024 and 2025.

(€ thousands)	Gas distribution	Water service	Energy efficiency	Corporate	Total
For the year ended 31 December 2024					
Total revenues and others revenues	2,408,448	99,093	48,608	85,293	2,641,442
<i>to be deducted: inter-sector others revenues</i>	(16,707)	(47)	(2,022)	(83,230)	(102,006)
Total revenues and other revenues and income from third parties	2,391,741	99,046	46,586	2,063	2,539,436
EBITDA	1,862,945	37,343	14,329	(10,379)	1,904,238
Operating result	1,206,938	7,430	10,336	(13,553)	1,211,151
Total net financial expense					(120,666)
Total net income from equity investments					11,209
Profit before tax					1,101,694
Investments in property, plant and equipment	46,477	2,751	3,770	2,469	55,467
Investments in intangible assets	851,102	26,958	577	50	878,687
Total investments in property, plant and equipment and intangible assets	897,579	29,709	4,347	2,519	934,154

(€ thousands)	Gas distribution	Water service	Energy efficiency	Corporate	Total
For the year ended 31 December 2025					
Total revenues and others revenues	3,391,811	100,469	92,951	126,672	3,711,903

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<i>to be deducted: inter-sector others revenues</i>	(27,856)	(4)	(2,588)	(123,758)	(154,206)
Total revenues and other revenues and income from third parties	3,363,955	100,465	90,363	2,914	3,557,697
Operating result	1,206,938	7,430	10,336	(13,553)	1,211,151
Total net financial expense					(236,378)
Total net income from equity investments					10,889
Profit before tax					985,662
Investments in property, plant and equipment	102,925	3,372	3,851	1,893	112,041
Investments in intangible assets	1,062,033	28,993	436	120	1,091,582
Total investments in property, plant and equipment and intangible assets	1,164,958	32,365	4,287	2,013	1,203,623

35) Information by geographical area

In accordance with Subsection 33 of IFRS 8, revenues, non-current assets and investments by geographic area are shown below:

(€ thousands)

As of 31 December 2024	Italy	Greece	Non-EU countries
Revenues	2,258,800	279,196	1,440
Non-current assets	9,061,549	1,287,444	
Investments in tangible and intangible assets	765,979	120,984	

(€ thousands)

As of 31 December 2025	Italy	Greece	Non-EU countries
Revenues	3.215.311	292.062	930
Non-current assets	15.112.860	1.202.698	
Investments in tangible and intangible assets	1.078.374	125.249	

36) Related party transactions

Based on Italgas' current ownership structure, pursuant to paragraph 9 of the IAS 24, Italgas related parties include, in addition to directors, statutory auditors, executives with strategic responsibilities, companies associated with the Group or under its joint control, also the subsidiaries directly or indirectly controlled by CDP, therefore including the shareholder Snam, and the Ministry of Economy and Finance (MEF).

Following the entry into force of Article 13, paragraph 1-bis, of Decree-Law No. 95/2025, as converted into Law No. 118/2025, and Article 1, paragraph 268, of the 2026 Budget Law, the Company amended its internal procedures for the purposes of the regulation of transactions with related parties pursuant to Article 2391-bis of the Italian Civil Code. The recently enacted legislation has established that, for the purposes of Article 2391-bis of the Italian Civil Code, no related-party relationships exist between public administrations that do not exercise direction and coordination powers and the companies in which they hold equity investments, including indirectly.

The following disclosures are instead provided pursuant to IAS 24. Transactions with related parties entered into by the Italgas Group relate to the exchange of assets, the provision of services and, in the case of CDP, the provision of financial resources.

These transactions are part of ordinary business operations and are generally settled at arm's length, i.e. the conditions which would be applied between two independent parties. All transactions entered into were carried out in the interest of the Italgas Group companies.

CDP and CDP Reti consolidate Italgas pursuant to IFRS 10. In addition, through the Board of Directors' decision of 1 August 2019, CDP reclassified its investment in Italgas S.p.A. as a controlling interest pursuant to Article 2359, paragraph 1.2) of the Italian Civil Code and Article 93 of the TUF. Italgas is not subject to direction and coordination activities by CDP.

Italgas is not subject to direction and coordination activities. Italgas exerts direction and coordination activities over its subsidiaries pursuant to Articles 2497 et seq. of the Civil Code.

The amounts involved in commercial, financial and other transactions with the above-mentioned related parties, are shown below. The nature of the most significant transactions is also stated.

ITALGAS CONSOLIDATED FINANCIAL REPORT AS AT 31 DECEMBER 2025 – NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

With reference in particular to the balances exposed towards the Eni Group, Enel Group, and Poste Italiane Group the underlying relations refer to the natural gas distribution service business, according to the terms of the Network Code, defined by the Italian Regulatory Authority for Energy, Networks and Environment (Autorità di Regolazione per Energia Reti e Ambiente, ARERA). The Network Code regulates the non-discriminatory conditions, including tariffs, applicable to all distribution users.

Commercial and other transactions

Commercial and other transactions are analysed below:

(€ thousands)	As of 31 December 2024		For the year ended 31 December 2024				
	Receivables	Payables	Costs (a)			Revenues (b)	
			Assets	Services	Other	Services	Other
Parent company							
- CDP Group	0	95	1	100	195	0	0
	0	95	1	100	195	0	0
Companies under joint control and associates							
- Umbria Distribuzione Gas	2,972	30	0	(31)	0	839	86
- Metano Sant'Angelo Lodigiano	474	2	0	(8)	0	340	106
- Gesam Reti	81	0	0	0	0	78	6
- Enerpaper	45	290	0	403	0	0	0
- Energie Rete Gas	2,007	10,835	92	7,876	1,579	1,322	367
	5,579	11,157	92	8,240	1,579	2,579	565
Companies owned or controlled by the State							
- Eni Group	177,500	40,716	4,468	704	2,402	570,429	3,723
- Snam Group	413	376	0	156	167	240	111
- Enel Group	49,177	11,625	(3)	150	1,342	167,987	2,928
- GSE Gestore Servizi Group	1,073	(678)	0	60	80,466	2,823	(1,372)
- Other	1,090	1,596	12	503	1,236	246	880
	229,253	53,635	4,477	1,573	85,613	741,725	6,270
Other related parties							
- Other	0	616	2,052	285	2	0	0
	0	616	2,052	285	2	0	0
Total	234,832	65,503	6,622	10,198	87,389	744,304	6,835

(a) Include costs for goods and services for investment.

(b) Gross of the regulation components having contra entry in costs.

(€ thousands)	As of 31 December 2025		For the year ended 31 December 2025				
	Receivables	Payables	Costs (a)			Revenues (b)	
			Assets	Services	Other	Services	Other
Parent company							
- CDP Group	0	172	0	82	4	0	0
	0	172	0	82	4	0	0
Companies under joint control and associates							
- Umbria Distribuzione Gas	2,087	(69)	0	0	0	612	75
- Metano Sant'Angelo Lodigiano	708	22	0	0	0	525	123
- Gesam Reti	156	0	0	0	0	75	31
- Energie Rete Gas	3,256	11,430	167	8,250	1,997	1,806	222
- Siciliacque S.p.A.	3,171	8,385	0	42	0	1,511	848
- Acqualatina	1,885	106	0	47	0	611	591
- IG Servizi Energetici	41	258	0	231	0	18	1
	11,304	20,132	167	8,570	1,997	5,158	1,891
Companies owned or controlled by the State							
- Eni Group	217,654	48,884	6,303	577	5,087	659,763	4,099
- Snam Group	420	209	0	183	44	240	103
- Enel Group	139,583	23,651	313	3,004	1,405	320,357	3,022
- GSE Gestore Servizi Group	2,368	(559)	0	35	96,182	4,312	(21)
- Poste italiane Group	2,443	404	0	944	0	18,640	53
- Other	1,149	2,905	4	274	2,522	318	395
	363,617	75,494	6,620	5,017	105,240	1,003,630	7,651
Other related parties							
- Other	0	411	1,458	16	2	0	0
	0	411	1,458	16	2	0	0
Total	374,921	96,209	8,245	13,685	107,243	1,008,788	9,542

(a) Include costs for goods and services for investment.

(b) Gross of the regulation components having contra entry in costs.

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Parent company

Commercial relations with the CDP Group are essentially related to fees due to directors.

Companies under joint control and associates

With Umbria Distribuzione Gas S.p.A. and Metano Sant'Angelo Lodigiano S.p.A., the main receivable commercial transactions mainly refer to IT and staff services.

With Enerpaper S.r.l., the payable commercial transactions related to FY 2024 refer to activities related to Superbonus construction sites managed by the Group.

With Energie Rete Gas S.r.l., the main receivable commercial transactions refer to technical services on the gas network and sale of cryogenic LNG tanks; the main payable transactions refer to services associated with the transport of natural gas by road.

Companies owned or controlled by the State

The main receivable commercial transactions predominantly refer to:

- the distribution of natural gas to the Eni Group, Enel Group and Poste Italiane Group;
- IT services and chargebacks of gas supply truck costs related to the Snam Group;
- energy efficiency certificates and net metering/dedicated collection of energy efficiency produced by photovoltaic plants in relation to the GSE Gestore Servizi Group.

The main payable commercial transactions refer to:

- the supply of electricity and methane gas for internal consumption by the Eni Group;
- rental expenses and additional charges to lease contracts with the Snam Group;
- acquisition of energy efficiency certificates in relation to the GSE Gestore Servizi Group;
- the provision of postal services in relation to the Poste Italiane Group.

Financial transactions

Financial transactions can be broken down as follows:

(€ thousands)	As of 31 December 2024		For the year ended 31 December 2024	
	Receivables	Payables	Income	Expense
Parent company				
- CDP Group	1,570	143,944	0	1,171
	1,570	143,944	0	1,171
Companies under joint control and associates				
- Energie Rete gas	2,125	0	0	0
- Umbria Distribuzione Gas	0	0	253	0
	2,125	0	253	0
State-owned or controlled enterprises				
- Snam Group	0	1,466	0	0
- Other	0	736	0	0
	0	2,202	0	0
Total	3,695	146,146	253	1,171

(€ thousands)	As of 31 December 2025		For the year ended 31 December 2025	
	Receivables	Payables	Income	Expense
Parent company				
- CDP Group	2,426	143,591	0	4,619
	2,426	143,591	0	4,619
Companies under joint control and associates				
- Energie Rete gas	2,125	0	0	0
- Umbria Distribuzione Gas	0	0	291	0
- Siciliacque S.p.A.	19,592	0	1,217	0
- Acqualatina	0	0	0	0
- IG Servizi Energetici	1,931	0	41	0
	23,648	0	1,549	0

State-owned or controlled enterprises

ITALGAS CONSOLIDATED FINANCIAL REPORT AS AT 31 DECEMBER 2025 – NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

- Snam Group	0	1,466	0	0
- Mediobanca – Banca di Credito Finanziario	0	124,876	0	858
- Other	0	736	0	0
	0	127,078	0	858
Total	26,074	270,669	1,549	5,477

Parent company

The main financial transactions with Energie Rete Gas and Siciliacque relate to a shareholder loan agreement.

Companies under joint control and associates

The main financial transactions with Energie Rete Gas relate to a shareholder loan agreement.

The financial transactions conducted with Umbria Distribuzione Gas are related to the chargeback of interest in arrears.

Companies owned or controlled by the State

The main financial transactions conducted with the Eni Group and the Snam Group relate to IFRS16 debt for real estate operating leases.

Transactions with Directors, Statutory Auditors and key managers, with reference in particular to their remuneration, are described in the note “Operating costs”, to which reference is made.

Impact of related-party transactions or positions on the statement of financial position, income statement and statement of cash flows

The impact of related-party transactions or positions on the Statement of Financial Position is summarised in the following table:

(€ thousands)	As of 31 December 2024			As of 31 December 2025		
	Total	Related entities	Incidence %	Total	Related entities	Incidence %
Statement of financial position						
Current financial assets	3,592	2,125	59.16%	4,004	2,890	72.18%
Trade and other receivables	905,092	234,138	25.87%	1,407,264	372,435	26.47%
Other current financial assets	5,878	0	0.00%	4,547	0	0.00%
Other current non-financial assets	232,559	288	0.12%	284,674	1,961	0.69%
Non-current financial assets	339,747	1,570	0.46%	349,295	23,185	6.64%
Other non-current financial assets	10,982	0	0.00%	8,730	0	0.00%
Other non-current non-financial assets	619,322	406	0.07%	546,613	524	0.10%
Current financial liabilities	980,569	4,580	0.47%	975,322	4,227	0.43%
Trade and other payables	1,184,609	64,410	5.44%	1,775,822	86,625	4.88%
Other current non-financial liabilities	14,063	1,093	7.77%	45,653	9,585	21.00%
Non-current financial liabilities	6,205,299	141,566	2.28%	10,440,320	266,442	2.55%
Other non-current non-financial liabilities	566,985	0	0.00%	1,227,209	0	0.00%

The impact of related-party transactions on the income statement is summarised in the following table:

(€ thousands)	For the year ended 31 December 2024			For the year ended 31 December 2025		
	Total	Related entities	Incidence %	Total	Related entities	Incidence %
Income Statement						
Revenues	2,478,644	744,304	30.03%	3,508,303	1,008,788	28.75%
Other income	60,792	6,835	11.24%	80,846	9,542	11.80%
Purchase costs for raw materials, consumables, supplies and goods	168,459	6,622	3.93%	190,307	8,246	4.33%
Costs for services	604,545	10,198	1.69%	860,849	13,686	1.59%
Lease expenses	102,496	1,235	1.20%	153,106	2,700	1.76%
Personnel costs	285,133	0	0.00%	401,081	0	0.00%
Other operating expenses	60,921	86,154	141.42%	76,963	104,544	135.84%
Financial expense	149,566	1,171	0.78%	257,309	5,477	2.13%

ITALGAS CONSOLIDATED FINANCIAL REPORT AS AT 31 DECEMBER 2025 – NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

Financial income	28,521	253	0.89%	21,424	1,549	7.23%
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Related-party transactions are generally carried out at arm's length, i.e. at the conditions that would be applied between two independent parties.

The principal cash flows with related parties are shown in the following table:

(€ thousands)	For the year ended 31 December 2024	For the year ended 31 December 2025
Revenues and income	751,139	1,018,330
Costs and charges	104,209	129,176
Change in current financial assets	2	(765)
Change in trade and other current receivables	(50,024)	(138,297)
Change in non-current financial assets	2,085	(21,615)
Change in other assets	(405)	(1,791)
Change in trade and other payables	(1,365)	22,215
Change in other current liabilities	871	8,492
Interest collected (paid)	(918)	(3,928)
Net cash flow from operating activities	805.594	1,011,817
Net cash flow from investment activities	0	0
Dividends distributed to minority shareholders	(112,681)	(130,049)
Increase (decrease) in financial debt	143,944	124,523
Net cash flow from financing activities	31,263	(5.526)
Total cash flows to related entities	836.857	1,006,291

The incidence of cash flows with related parties are shown in the following table:

(€ thousands)	For the year ended 31 December 2024			For the year ended 31 December 2025		
	Total	Related entities	Incidence %	Total	Related entities	Incidence %
Cash flow / (used in) operating activities	1,098,715	805.594	73.32%	1,625,030	1,011,817	62.26%
Cash flow used in investment activities	(809,134)	0	0.00%	(3,168,996)	-	0.00%
Cash flow / (used in) financing activities	(136,882)	31,263.000	(22.84)%	1,673,238	(5.526)	(0.33)%

37) Significant non-recurring events and transactions

Pursuant to Consob Communication DEM/6064293 of 28 July 2006, it should be stated that no significant non-recurring events or transactions took place during the course of the year.

38) Positions or transactions arising from atypical and/or unusual transactions

Pursuant to Consob Communication DEM/6064293 of 28 July 2006, it should be stated that no atypical and/or unusual positions or transactions took place during the course of the year.

39) Significant events after year end

The significant transactions carried out after 31 December 2025 are summarised below. The Integrated Annual Report has been submitted to the examination of the Company's Board of Directors and its publication was authorised within the terms and in accordance with the procedure prescribed by law. Therefore, this document does not note any events that occurred subsequent to that date.

Extraordinary transactions and area tenders

To fulfil the commitments required by the Antitrust Authority in relation to the acquisition of 2i Rete Gas, in January 2026 Italgas Reti incorporated and registered with the Companies' Register six new companies, each with share capital of 10,000 euro fully subscribed and paid up: Azienda Gas Valle del Sacco S.r.l., BS Reti Gas S.r.l., Infrastrutture Reti Gas SPV 1 S.r.l., Infrastrutture Reti Gas SPV 2 S.r.l., Infrastrutture Reti Gas SPV 3 S.r.l. and Reti Padova S.r.l..

On 15 January 2026, a new plant came into operation in Porto Tolle (RO), connecting the biomethane produced by Azienda Agricola Canella Giancarlo to the Italgas network. The project, carried out within the ARERA regulatory framework, also includes 100 metres of new network. Italgas highlights the strategic role of biomethane and plans to connect a further 50 plants by mid-2026.

Legal and Regulatory Framework

By order published on 27 January 2026, the Regional Administrative Court of Friuli Venezia Giulia rejected Italgas Reti's application for interim relief seeking suspension of the tender for the concession of the gas distribution service in the Pordenone area. The Court found that the risks alleged by the Company were unfounded and ruled out the existence of serious and irreparable harm, as the proceedings will allow a decision on the merits before the deadline for the submission of bids (3 June 2026). The public hearing to examine the appeal is scheduled for 10 March 2026.

With Resolution no. 9/2026/R/gas, the Authority approved the amounts to cover the additional costs arising from the extension of obligations to verify metering instruments incurred in 2018 and 2019 by distribution companies that submitted separate annual accounts under the ordinary accounting unbundling regime. The Resolution also provides that the Energy and Environmental Services Fund (CSEA) shall proceed with the settlement of the amounts recognised on a final basis to distribution companies, as an adjustment to the revenue cap set to cover metering service costs.

With ruling published on 29 January 2026, the Council of State rejected the appeal of Italgas Reti against the award of the tender for gas distribution in the Catanzaro Crotone Area.

Antitrust requirements

On 1 March 2026, the ATEMs of Bari 2, Barletta-Andria-Trani, Pisa and Teramo were transferred to a temporary consortium comprising Plures, Estra and Centria, covering approximately 120,000 active re-delivery points (PdRs). The remaining disposals will take place by the second quarter of 2026.

40) Publication of the financial statements

The financial statements were authorised for publication by the Board of Directors of Italgas at its meeting of 03 March 2026. The Board of Directors authorised the Chairperson and the Chief Executive Officer to make any changes which might be necessary or appropriate for finalising the form of the document.

Certification of the consolidated financial statements pursuant to Article 154-bis, paragraph 5 of Legislative Decree 58/1998 (Consolidated Finance Act)

1. Pursuant to article 154-bis, paragraphs 3 and 4 of Legislative Decree no. 58 of 24 February 1998, the undersigned Paolo Gallo and Gianfranco Maria Amoroso, as Chief Executive Officer and Director in charge of preparing company accounting documents of Italgas S.p.A. respectively, certify:
 - the adequacy, considering the Company's characteristics, and
 - the effective implementation
 of the administrative and accounting procedures for the preparation of the consolidated financial statements during the course of 2025.
2. The administrative and accounting procedures for the preparation of the consolidated financial statements at 31 December 2025 were defined and their adequacy was assessed using the rules and methods in line with the Internal Control – Integrated Framework model issued by the Committee of Sponsoring Organizations of the Treadway Commission, which represents a benchmark framework for the internal control system generally accepted at international level.
3. It is also certified that:
 - 3.1 The consolidated financial statements at 31 December 2025:
 - a) were prepared in accordance with the applicable international accounting standards recognised in the European Community pursuant to Regulation (EC) no. 1606/2002 of the European Parliament and of the Council of 19 July 2002;
 - b) are consistent with the accounting books and records;
 - c) are able to provide a true and fair view of the financial position, results of operations and cash flows of the issuer and the consolidated companies.
 - 3.2 The Directors' Report includes a reliable analysis of the operating performance and results, as well as the position of the issuer and of all the companies included in the scope of consolidation, together with a description of the principal risks and uncertainties to which they are exposed.

3 March 2026

Chief Executive Officer

Paolo Gallo

Officer responsible for the preparation
of financial reports

Gianfranco Maria Amoroso



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**INDEPENDENT AUDITOR'S REPORT
PURSUANT TO ARTICLE 14 OF LEGISLATIVE DECREE No. 39 OF JANUARY 27, 2010
AND ARTICLE 10 OF THE EU REGULATION 537/2014**

**To the Shareholders of
Italgas S.p.A.**

REPORT ON THE AUDIT OF THE CONSOLIDATED FINANCIAL STATEMENTS

Opinion

We have audited the consolidated financial statements of Italgas S.p.A. and its subsidiaries ("Group"), which comprise the consolidated statement of financial position as at December 31, 2025, and the consolidated income statement, consolidated statement of comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flow for the year then ended, and notes to the consolidated financial statements, including material accounting policy information.

In our opinion, the accompanying consolidated financial statements give a true and fair view of the consolidated financial position of the Group as at December 31, 2025, and of its consolidated financial performance and its consolidated cash flows for the year then ended in accordance with IFRS Accounting Standards as issued by the International Accounting Standards Board and adopted by the European Union and the requirements of national regulations issued pursuant to art. 9 of Italian Legislative Decree no. 38/05.

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISA Italia). Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Consolidated Financial Statements* section of our report. We are independent of Italgas S.p.A. (the "Company") in accordance with the ethical requirements applicable under Italian law to the audit of the financial statements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements of the current period. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Ancona Bari Bergamo Bologna Brescia Cagliari Firenze Genova Milano Napoli Padova Parma Roma Torino Treviso Udine Verona

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Investments in service concession agreements for the natural gas distribution and metering services and related impairment test

Description of the key audit matter As at December 31, 2025, the Group accounts for intangible assets including the captions “Service concession agreements” and “Work in progress and payments on account IFRC 12”, respectively equal to euro 13,503,722 thousand and euro 306,664 thousand, mainly related to investments made for development and maintenance of the infrastructures related to the service concession agreements for the natural gas distribution and metering services located in Italy and Greece. Investments made in the financial year relating to these items of intangible assets totaled euro 995,699 thousand. The goodwill allocated to the cash-generating units for the “distribution and metering of natural and other gases” and for the “distribution and metering of natural gas abroad” amounts to euro 566.8 million and euro 115.8 million respectively.

The natural gas distribution and metering activity is regulated by the Italian Regulatory Authority for Energy, Networks and Environment (Autorità di Regolazione per Energia Reti e Ambiente, “ARERA”) and Greek Regulatory Authority for Energy Waste and Water (“RAEWW”), which define, among the others, the rules for the remuneration of the natural gas distribution and metering services.

In particular, the regulated revenues for the natural gas distribution and metering services provided by the Group are determined by ARERA and by RAEWW and provide for recognition of a predefined return on net invested capital recognized for regulatory purposes (RAB – Regulatory Asset Base), relative depreciation and certain operating expenses – the so-called “revenue cap”. The RAB value is mainly determined through the “revalued historical cost” and the “historical cost” method, respectively by ARERA and by RAEWW.

At the end of the financial year, the Group's Management assessed the recoverability of non-financial fixed assets related to the natural gas distribution and metering services comparing the carrying amount, represented by the net invested capital of the relative cash-generating unit, with the corresponding recoverable amount. In performing the impairment test, the recoverable amount of the cash-generating unit “distribution and metering of natural and other gases” and the cash-generating unit “distribution and metering of natural gas abroad” were estimated respectively according to the methodology of the RAB updated as at the balance sheet date and the value in use estimated on the basis of discounted cash flow methodology. No impairment loss resulted from the test.



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We consider that investments in service concession agreements related to the natural gas distribution and metering services and the related impairment test represent a key audit matter for the Group's consolidated financial statements as at December 31, 2025 due to: (i) the relevance of the intangible assets related to such service concession agreements compared to the Group's total assets, (ii) the relevance of the investments made during the year, (iii) their impact in determining the revenue cap for the remuneration of the natural gas distribution and metering services, and (iv) the estimation component in determining the recoverable amount of the assets.

Paragraphs "4) Material accounting policies – Intangible assets", "4) Material accounting policies – Impairment of non-financial assets", "5) Use of estimates" and "14) Intangible assets" of the consolidated financial statements include the disclosure on the investments and the relative impairment test.

Audit procedures performed

With reference to investments in service concession agreements for the natural gas distribution and metering services and the relative impairment test, our audit procedures included, also using the work of experts of the Deloitte network, among the others, the following:

- Understand the processes and relevant controls related to the recognition of such investments in the financial statements and assessment of their operating effectiveness.
- Understand the processes and relevant controls related to impairment test.
- Critical analysis of the composition of the intangible assets caption, including the analysis of any unusual item.
- For a sample of investment items accounted within intangible assets for which the amortization process begin during the year, test of the accurate start of depreciation when the asset is available for use and aging analysis of the assets capitalized within work in progress.
- With reference to investments and disposals occurred during the period, selection of a sample of transactions and test of the compliance with the criteria provided by accounting standards.
- Assessment of the consistency between the useful life used for the depreciation of the assets under concession and their regulatory useful life and reperforming of the period depreciation.
- Discussion meetings with the Group's Management in order to understand the impairment test methodology.
- Assessment of the reasonableness of the assumptions underlying the determination of the recoverable amount.
- Mathematical accuracy's test of the recoverable amount estimated by the Management and of the comparison between the recoverable amount and the carrying amount for each cash generating unit.
- Test of the sensitivity analysis prepared by the Management.



Finally, we assessed the adequacy of the disclosure provided in the notes to the consolidated financial statements and its compliance with the accounting standards.

Recognition of 2i Rete Gas Group business combination

Description of the key audit matter

On April 1, 2025, the Group finalized the acquisition of 2i Rete Gas S.p.A. and its subsidiaries for a total consideration of euro 2,071,935 thousand.

The transaction was recognized in the consolidated financial statements as required by the International Accounting Standard IFRS 3 “Business combinations” which provides for an allocation process of the acquisition cost (“*Purchase price allocation – PPA*”) and which required Management to assess the fair value of the assets acquired and liabilities assumed, also through the support of independent experts.

The values allocation process performed as a part of the PPA involved, among other, the recognition of Intangible assets and Other non-current liabilities respectively equal to euro 5,294,015 thousand and to euro 718,067 thousand mainly related to service concession agreements for the natural gas distribution which fall under the scope of application of IFRIC 12 “Service Concession Arrangements”, and the recognition of Current and Long-term financial liabilities respectively equal to euro 564,077 thousand and to euro 2,513,673 thousand, as well as the related deferred tax. The residual amount, representing the difference between the fair value of the net assets acquired and the consideration paid, has been recognised as goodwill for euro 522,531 thousand.

The Directors report that, in accordance with the provisions of the IFRS 3, the values allocation process is not definitive, considering the fact that certain information, already available at the acquisition date, is still under analysis.

Considering the complexity of the valuation matters affecting the process of determining the fair value of net assets acquired, as well as the relevance of the effects of this transaction, we considered the recognition of the business combination of Group 2i Rete Gas a key audit matter of the Group's consolidated financial statements.

Paragraphs “3) Consolidation principles – Business combinations”, “5) Use of estimates” and “6) Business combination transactions” of the consolidated financial statements include the disclosure on the process followed by the Group Management and the effects in the consolidated financial statements.



Audit procedures performed	As part of our audits work, we carried out the following procedures also using the work of experts of the Deloitte network: • Analysis of the agreements related to the investments acquisition in order to understand the relevant terms and conditions. • Understand the processes and relevant controls adopted by the Group related to the recognition of business combinations in accordance with the international accounting standard IFRS 3. • Understand the criteria used by the Management for the recognition of the transaction and examination of the related documentation. • Examination of the documentation supporting the valuations underlying the allocation of the purchase price and the related report prepared by the independent experts appointed by the Management. • Assessment of the competence, capacity and objectivity of independent experts. • Obtain information from the Management and independent experts. • Analysis of the reasonableness of the main assumption adopted by the Management to determine the fair value of the acquired assets and liabilities. Finally, we assessed the adequacy of the disclosure provided in the notes to the consolidated financial statements and its compliance with the accounting standards.
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Responsibilities of the Directors and the Board of Statutory Auditors for the Consolidated Financial Statements

The Directors are responsible for the preparation of consolidated financial statements that give a true and fair view in accordance with IFRS Accounting Standards as issued by the International Accounting Standards Board and adopted by the European Union and the requirements of national regulations issued pursuant to art. 9 of Italian Legislative Decree no. 38/05, and, within the terms established by law, for such internal control as the Directors determine is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, the Directors are responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless they have identified the existence of the conditions for the liquidation of the Company or the termination of the business or have no realistic alternatives to such choices.



The Board of Statutory Auditors is responsible for overseeing, within the terms established by law, the Group's financial reporting process.

Auditor's Responsibilities for the Audit of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with International Standards on Auditing (ISA Italia) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of an audit in accordance with International Standards on Auditing (ISA Italia), we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion.
- The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Directors.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.



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- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with those charged with governance, identified at an appropriate level as required by ISA Italia, regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence applicable in Italy, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, actions taken to eliminate threats or safeguards applied.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditors' report.

Other information communicated pursuant to art. 10 of the EU Regulation 537/2014

The Shareholders' Meeting of Italgas S.p.A. has appointed us on May 12, 2020 as auditors of the Company for the years from December 31, 2020 to December 31, 2028.

We declare that we have not provided prohibited non-audit services referred to in art. 5 (1) of EU Regulation 537/2014 and that we have remained independent of the Company in conducting the audit.

We confirm that the opinion on the financial statements expressed in this report is consistent with the additional report to the Board of Statutory Auditors, in its role of Audit Committee, referred to in art. 11 of the said Regulation.



REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

Opinion on the compliance with the provisions of the Delegated Regulation (EU) 2019/815

The Directors of Italgas S.p.A. are responsible for the application of the provisions of the European Commission Delegated Regulation (EU) 2019/815 with regard to the regulatory technical standards on the specification of the single electronic reporting format (ESEF – European Single Electronic Format) (hereinafter referred to as the “Delegated Regulation”) to the consolidated financial statements as at December 31, 2025, to be included in the annual financial report.

We have carried out the procedures set forth in the Auditing Standard (SA Italia) n. 700B in order to express an opinion on the compliance of the consolidated financial statements with the provisions of the Delegated Regulation.

In our opinion, the consolidated financial statements as at December 31, 2025 have been prepared in XHTML format and have been marked up, in all material respects, in accordance with the provisions of the Delegated Regulation.

Due to certain technical limitations, some information contained in the notes to the consolidated financial statements, when extracted from XHTML format in an XBRL instance, may not be reproduced in the same way as the corresponding information displayed in the consolidated financial statements in XHTML format.

Opinions and statement pursuant to art. 14 paragraph 2, sub-paragraphs e), e-bis) and e-ter) of Legislative Decree 39/10 and pursuant to art. 123-bis, paragraph 4, of Legislative Decree 58/98

The Directors of Italgas S.p.A. are responsible for the preparation of the report of Directors and the report on corporate governance and the ownership structure of the Group as at December 31, 2025, including their consistency with the related consolidated financial statements and their compliance with the law.

We have carried out the procedures set forth in the Auditing Standard (SA Italia) n. 720B in order to:

- Express an opinion on the consistency of the report of Directors and of some specific information contained in the report on corporate governance and the ownership structure set forth in art. 123-bis, n. 4 of Legislative Decree 58/98, with the consolidated financial statements.
- Express an opinion on compliance with the law of the report of Directors, excluding the section related to the consolidated sustainability statement, and of some specific information contained in the report on corporate governance and ownership structure set forth in art. 123-bis, n. 4 of Legislative Decree 58/98.
- Make a statement about any material misstatement in the report of Directors and in some specific information contained in the report on corporate governance and ownership structure set forth in art. 123-bis, n. 4 of Legislative Decree 58/98.

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In our opinion, the report of Directors and the specific information contained in the report on corporate governance and the ownership structure are consistent with the consolidated financial statements of the Group as at December 31, 2025.

In addition, in our opinion, the report of Directors, excluding the section related to the consolidated sustainability statement, and the specific information contained in the report on corporate governance and ownership structure set forth in art. 123-bis, n. 4 of Legislative Decree 58/98 are prepared in accordance with the law.

With reference to the statement referred to in art. 14, paragraph 2, sub-paragraph e-ter), of Legislative Decree 39/10, made on the basis of the knowledge and understanding of the entity and of the related context acquired during the audit, we have nothing to report.

Our opinion on the compliance with the law does not extend to the section related to the consolidated sustainability statement. The conclusions on the compliance of that section with the law governing criteria of preparation and with the disclosure requirements outlined in art. 8 of the EU Regulation 2020/852 are expressed by us in the assurance report pursuant to art. 14-bis of Legislative Decree 39/10.

DELOITTE & TOUCHE S.p.A.

Signed by
Paola Mariateresa Rolli
Partner

Milan, Italy
March 20, 2026

This independent auditor's report has been translated into the English language solely for the convenience of international readers. Accordingly, only the original text in Italian language is authoritative

ANNEXES TO THE NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

ITALGAS CONSOLIDATED FINANCIAL REPORT AS AT 31 DECEMBER 2025 – NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

Annexes to the notes to the consolidated financial statements

Companies and equity investments of Italgas S.p.A. as at 31 December 2025

In compliance with the provisions of Consob communication DEM/6064293 of 28 July 2006 and of articles 38 and 39 of Italian Legislative Decree 127/1991, the list of subsidiary and related companies of Italgas S.p.A. as at 31 December 2025, as well as other relevant shareholdings, are reported below.

The name, registered office, share capital, shareholders and respective percentages of ownership are reported for each company. For companies consolidated using the line-by-line method, the consolidated percentage pertaining to Italgas and the segment to which they belong is indicated. The measurement criterion is indicated for companies not consolidated using the line-by-line method.

The companies of Italgas S.p.A. as at 31 December 2025 are broken down as follows:

CONSOLIDATING COMPANY

Name	Registered office	Currency	Share capital	Shareholders	% ownership	% consolidated pertaining to Italgas	Consolidation method or measurement criterion	Operating sector
Italgas S.p.A.	Milan	Eur	1,257,354,634.08	CDP Reti S.p.A.	25.98%	100.00%	full consolidation	Corporate
				Snam S.p.A.	11.40%			
				Non-controlling Interests	62.62%			

SUBSIDIARY COMPANIES

Designation	Registered office	Currency	Share capital	Shareholders	% ownership	% consolidated pertaining to Italgas	Consolidation method or measurement criterion	Operating sector
Italgas Reti S.p.A.	Turin	Eur	252,263,314	Italgas S.p.A.	100.00%	100.00%	full consolidation	Gas distribution
Nepta S.p.A.	Milan	Eur	50,000	Italgas S.p.A.	100.00%	100.00%	full consolidation	Water service
Geoside S.p.A.	Casalecchio di Reno (BO)	Eur	57,089,254	Italgas S.p.A.	67.22%	83.82%	full consolidation	Energy efficiency
				Toscana Energia S.p.A.	32.78%			
Medea S.p.A.	Sassari	Eur	95,500,000	Italgas Reti S.p.A.	51.85%	51.85%	full consolidation	Gas distribution
				Non-controlling Interests	48.15%			
Toscana Energia S.p.A.	Florence	Eur	146,214,387	Italgas S.p.A.	50.66%	50.66%	full consolidation	Gas distribution
				Non-controlling Interests	49.34%			
IG Rete Dati S.r.l.	Milan	Eur	120,000	Bludigit S.p.A.	100.00%	100.00%	full consolidation	Gas distribution
Cilento Reti Gas S.r.l.	Acquaviva delle Fonti (BA)	Eur	4,300,000	Italgas Reti S.p.A.	60.00%	60.00%	full consolidation	Gas distribution
				Non-controlling Interests	40.00%			
Italgas Newco S.p.A.	Milan	Eur	50,000,000	Italgas S.p.A.	90.00%	90.00%	full consolidation	Gas distribution
				Non-controlling Interests	10.00%			
Bludigit S.p.A.	Milan	Eur	11,000,000	Italgas S.p.A.	100.00%	100.00%	full consolidation	Gas distribution
Enaon S.A.	Athens	Eur	79,709,919	Italgas Newco S.p.A.	100.00%	90.00%	full consolidation	Gas distribution
Enaon EDA S.A.	Athens	Eur	580,273,050	Enaon S.A.	100.00%	90.00%	full consolidation	Gas distribution
Idrolatina S.r.l.	Milan	Eur	6,902,587	Nepta S.p.A.	100.00%	100.00%	full consolidation	Water service
Idrosicilia S.p.A.	Milan	Eur	37,520,000	Nepta S.p.A.	99.34%	99.34%	full consolidation	Water service
				Non-controlling Interests	0.66%			
Acqua Campania S.p.A.	Naples	Eur	4,950,000	Nepta S.p.A.	95.70%	96.23%	full consolidation	Water service
				Italgas Reti S.p.A.	0.53%			
				Non-controlling Interests	3.77%			
LAC Laboratorio Acqua Campania S.r.l.	Naples	Eur	30,000	Acqua Campania S.p.A.	51.00%	49.08%	full consolidation	Water service
				Non-controlling Interests	49.00%			

ASSOCIATED AND JOINT CONTROL COMPANIES

Name	Registered office	Currency	Share capital	Shareholders	% ownership	Consolidation method or measurement criterion
Metano Sant'Angelo Lodigiano S.p.A. (a)	Sant'Angelo Lodigiano (LO)	Eur	200,000	Italgas S.p.A.	50.00%	equity measurement
				Non-controlling Interests	50.00%	
Umbria Distribuzione Gas S.p.A.	Terni	Eur	2,120,000	Italgas S.p.A.	45.00%	equity measurement
				Non-controlling Interests	55.00%	
Energie Rete Gas S.r.l.	Milan	Eur	11,000,000	Medea S.p.A.	49.00%	equity measurement
				Non-controlling Interests	51.00%	
Gesam Reti S.p.A.	Lucca	Eur	20,626,657	Toscana Energia S.p.A.	42.96%	equity measurement
				Non-controlling Interests	57.04%	
Siciliacque S.p.A.	Palermo	Eur	20,400,000	Idrosicilia S.p.A.	75.00%	equity measurement
				Non-controlling Interests	25.00%	
Acqualatina S.p.A.	Latina	Eur	23,661,533	Idrolatina S.r.l.	49.00%	equity measurement
				Non-controlling Interests	51.00%	
Melegnano Energia Ambiente S.p.A.	Melegnano (MI)	Eur	4,800,000	Italgas Reti S.p.A.	40.00%	equity measurement

ITALGAS CONSOLIDATED FINANCIAL REPORT AS AT 31 DECEMBER 2025 – NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

				Non-controlling Interests	60.00%
Servizi Energetici IG S.r.l.	Milan	Eur	10,000	Italgas Reti S.p.A.	60.00% equity measurement
				Non-controlling Interests	40.00%

(a) Company subject to joint control

OTHER COMPANIES

Name	Registered office	Currency	Share capital	Shareholders	% ownership	Consolidation method or measurement criterion
Reti Distribuzione S.r.l.	Ivrea (TO)	Eur	20,000,000	Italgas Reti S.p.A.	15.00%	fair value measurement
				Non-controlling Interests	85.00%	
Picarro Inc.	Santa Clara (USA)	Dollar		Italgas S.p.A.	9.22%	fair value measurement
				Non-controlling Interests	91.78%	
Gaxa S.p.A.	Cagliari	Eur	6,100,000	Italgas S.p.A.	1.00%	fair value measurement
				Non-controlling Interests	99.00%	

CHANGE IN SCOPE OF CONSOLIDATION

Name	Registered office	Currency	Share capital	Shareholders	% ownership	Consolidation method or measurement criterion
IG Rete Dati S.r.l. (a)	Milan	Eur	120,000	Bludigit S.p.A.	100.00%	full consolidation
Cilento Reti Gas S.r.l. (a)	Acquaviva delle Fonti (MI)	Eur	4,300,000	Italgas Reti S.p.A.	60.00%	full consolidation
				Non-controlling Interests	40.00%	
Melegnano Energia Ambiente S.p.A. (a)	Melegnano (MI)	Eur	4,800,000	Italgas Reti S.p.A.	40.00%	equity measurement
				Non-controlling Interests	60.00%	
Servizi Energetici IG S.r.l. (a)	Milan	Eur	10,000	Italgas Reti S.p.A.	60.00%	equity measurement
				Non-controlling Interests	40.00%	
Immogas S.r.l. (b)	Florence	Eur	1,718,600	Toscana Energia S.p.A.	100.00%	full consolidation
Acqua S.r.l. (c)	Milan	Eur	20,350,000	Nepta S.p.A.	100.00%	full consolidation
Enerpaper S.r.l. (d)	Turin	Eur	30,000	Geoside S.p.A.	20.01%	equity measurement
				Non-controlling Interests	79.99%	

(a) Companies joined the scope of consolidation following the acquisition.

(b) Companies left the scope of consolidation following the incorporation in Toscana Energia.

(c) Companies left the scope of consolidation following the incorporation in Nepta.

(d) Companies exited the scope of consolidation following the sale.

Fees for auditing and services other than auditing

Pursuant to Article 149-duodecies, subsection 2, of CONSOB Resolution no. 11971 of 14 May 1999 as amended, the fees for the year due to the independent auditing firm Deloitte & Touche S.p.A. for services provided to the Parent Company Italgas S.p.A., its subsidiaries and joint ventures, are specified below.

(€ thousands)

Type of services	Subject that provided the service	Recipient	Remuneration
Audit (*)	Parent company's independent auditor	Parent company	405
	Parent company's independent auditor	Subsidiaries	1,215
	Parent company's independent auditor	Company subject to joint control	7
Certification services (**)	Parent company's independent auditor	Parent company	1,336
	Parent company's independent auditor	Subsidiaries	78
	Parent company's independent auditor	Company subject to joint control	1
			3,041

(*) The services basically include: (i) the audit of the Consolidated Financial Statements and the Financial Statements for the year of Italgas S.p.A., its subsidiaries and joint ventures; (ii) the limited audit of the half-year financial report; (iii) audits during the year pursuant to Article 14, letter b of Legislative Decree no. 39/2010; (iv) the audit of the separate annual accounts pursuant to the Integrated Text on Accounting Unbundling (TIUC); (vi) the audit of the conformity of the Consolidated Sustainability Statement.

(**) The certification services regard: (i) the audit of the financial reporting control system; (ii) EMTN programme procedures carried out; (iii) activities carried out in connection with the capital increase (1,070,000 euros).