



# Interim financial report

at 30 June 2024

*(Translation from the Italian original which remains the definitive version)*

**We ARE #SDGs**  
**CONTRIBUTORS**

**ERG**  
EVOLVING ENERGIES

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## BUSINESS DESCRIPTION

The ERG Group is a leading independent operator of clean energy from renewable sources, operating in nine countries at European level and, from 24 April 2024, in the United States.

The leading wind power operator in Italy and among the top ten in Europe in the onshore wind sector, the Group is also active in the generation of energy from solar sources, being among the top five in Italy and with a gradually increasing presence in France and Spain.

A major player in the oil market until 2008, ERG radically changed its business portfolio in anticipation of long-term energy scenarios, successfully transforming towards a sustainable development model. Today the company is a leading European player in the renewable energy sector.

Starting from 2021, the Group embarked on an important Asset Rotation<sup>1</sup> process aimed at completing its transformation towards a pure "Wind&Solar" business model, which materialised at the end of 2023 with the divestment of the thermoelectric business, pursuing the strategic objective of the 2022-2026 Business Plan to focus on the core business of electricity generation entirely from renewable sources.

As a result of the completion of these important transactions, the Group, whose industrial strategy integrates the ESG (Environmental, Social and Governance) plan, in line with the United Nations Sustainable Development Goals (SDGs), has become a 100% Renewable operator, a key player in the decarbonisation process underway globally, as well as in the realisation of a fair and inclusive energy transition.

Management of the industrial and commercial processes of the ERG Group is entrusted to the subsidiary ERG Power Generation S.p.A., which carries out:

- centralised Energy Management & Sales activities for all generation technologies in which the ERG Group operates with the mission of securing output through long-term contracts and managing the hedging of merchant positions in line with the Group's risk policies;
- the Operation & Maintenance activities of its wind and solar farms, which involves insourcing the maintenance of the Italian wind farms and some of the plants in France and Germany.

The ERG Group, with generation facilities of 3,754-MW installed renewable capacity (3,093 MW wind, 661 MW solar), operates directly or through its subsidiaries, in the following Geographical Segments:

### Italy

In Italy, ERG has a total installed capacity of 1,594 MW in the sector of electricity generation from wind and solar sources.

Specifically, ERG is the leading operator in the wind power sector in Italy with 1,419 MW of installed capacity, and a leading operator in solar power generation with 175 MW of installed capacity.

### Abroad

Outside Italy, ERG has a total installed capacity of 2,160 MW.

In wind power, ERG is one of the leading operators in Europe with a significant and growing presence (1,450 MW operational), particularly in France (546 MW), Germany (327 MW), the UK (249 MW), Poland (142 MW), Romania (70 MW), Bulgaria (54 MW) and Sweden (62 MW).

ERG operates in France and Spain in the generation of electricity from solar sources with 393 MW of installed capacity, of which 128 MW in France and 266 MW in Spain.

In addition, since April 2024 the Group has been present in the United States with 317 MW of installed capacity, of which 224 MW in wind power and 92 MW in photovoltaic power.

<sup>1</sup> It should be noted that on 3 January 2022 ERG completed the sale of the hydroelectric assets, while on 17 October 2023 the sale of the thermoelectric business was completed.

**ERG enters the US renewable energy market**

On 24 April 2024, the Group completed the closing of a major agreement with Apex Clean Energy Holdings LLC (Apex), a leading independent US clean energy developer, to create a strategic partnership with the mission of managing a portfolio of wind and solar power plants already in operation and potentially develop it.

This transaction represents the Group's first step into the overseas market and envisages the creation of a holding company under US law into which a wind farm and a solar plant, both in operation, for a total of 317 MW of installed capacity and an estimated output of approximately 1 TWh have been conferred, as well as a cooperation agreement relating to approximately 1 GW of new onshore solar and wind projects under development in the United States.

# CORPORATE BODIES

## BOARD OF DIRECTORS<sup>2</sup>

Chairman

EDOARDO GARRONE *(executive)*

Deputy Chairman

ALESSANDRO GARRONE *(executive)*<sup>3</sup>

GIOVANNI MONDINI *(non-executive)*

Chief Executive Officer

PAOLO LUIGI MERLI

Directors

LUCA BETTONTE *(non-executive)*

ELISABETTA CALDERA *(independent)*<sup>4</sup>

MARINA NATALE *(independent)*<sup>4</sup>

FEDERICA LOLLI *(independent)*<sup>4</sup>

ELISABETTA OLIVERI *(independent)*<sup>4</sup>

DANIELA TOSCANI *(independent)*<sup>4</sup>

BARBARA POGGIALI *(non-executive)*

RENATO PIZZOLLA *(non-executive)*

## BOARD OF STATUTORY AUDITORS<sup>5</sup>

Chairwoman

MONICA MANNINO<sup>6</sup>

Standing Auditors

GIULIA DE MARTINO

FABRIZIO CAVALLI

## MANAGER RESPONSIBLE FOR PREPARING THE COMPANY'S FINANCIAL REPORTS (ITALIAN LAW NO. 262/05)

MICHELE PEDEMONTE<sup>7</sup>

## INDEPENDENT AUDITORS

KPMG S.p.A.<sup>8</sup>

<sup>2</sup> Board of Directors appointed on 23 April 2024.

<sup>3</sup> Director in charge of the Internal Control and Risk Management System.

<sup>4</sup> With reference to the provisions of Article 148, third paragraph, of the Italian Consolidated Finance Act, and the provisions of the current Corporate Governance Code promoted by Borsa Italiana S.p.A., also taking into account the "quantitative" and "qualitative" criteria defined in the Regulation for the operation of the Board of Directors, the Risk and Sustainability Committee and the Nominations and Remuneration Committee.

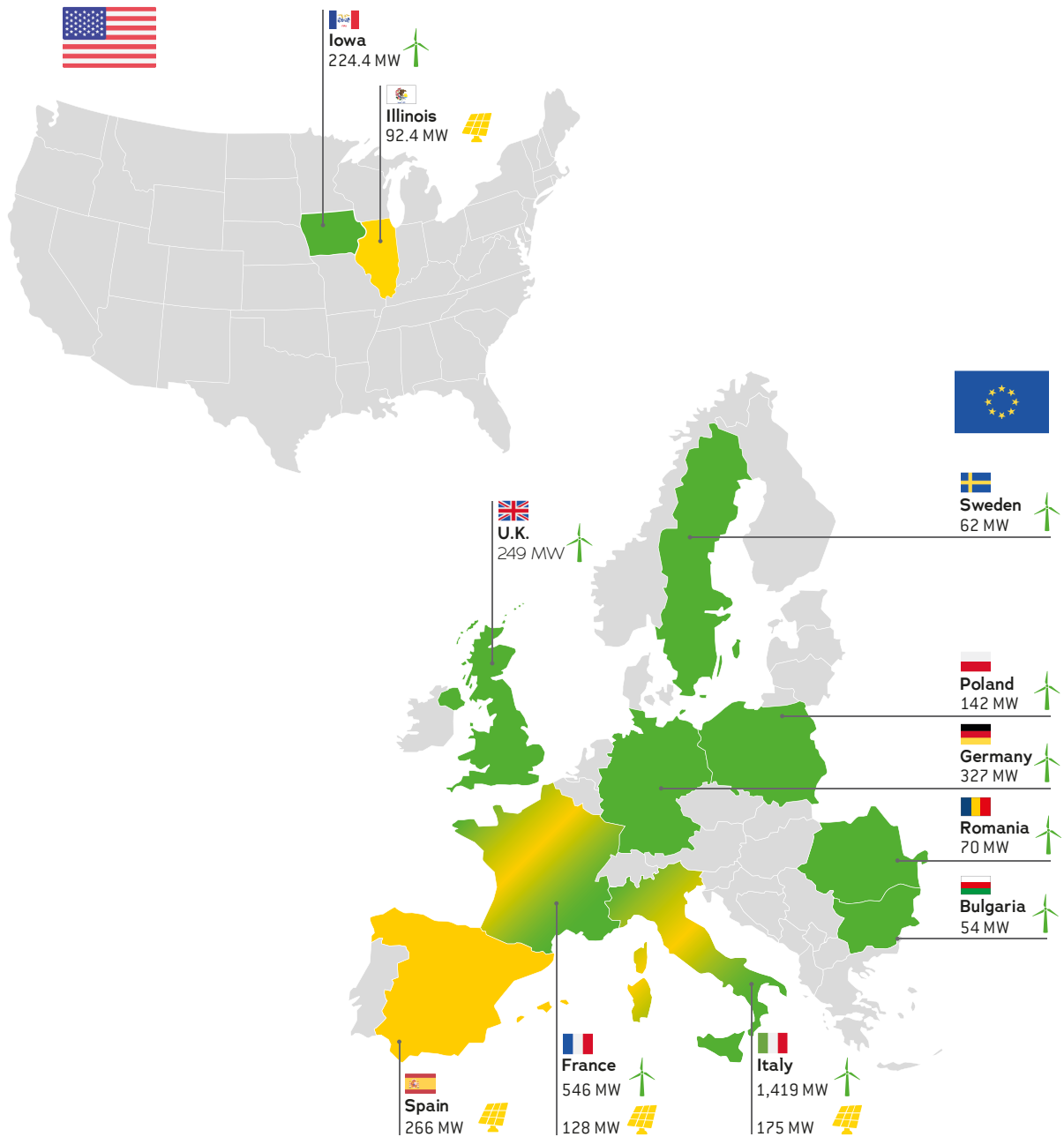
<sup>5</sup> Board of Statutory Auditors appointed on 26 April 2022.

<sup>6</sup> Appointed on 26 April 2023, in the office of Standing Auditor and Chairwoman of the Board of Statutory Auditors of ERG S.p.A. and expiring, together with the other members of the Board of Statutory Auditors, on the date of the Shareholders' Meeting called to approve the Financial Statements at 31 December 2024.

<sup>7</sup> Appointed on 26 April 2021 at the same time as appointment to the office of Group CFO.

<sup>8</sup> Appointed on 23 April 2018 for the period 2018 – 2026.

## GEOGRAPHICAL SEGMENTS AT 30 JUNE 2024





## ORGANISATIONAL MODEL

The Group's organisational structure features a strong focus on process logic and the implementation of strategic business leverages, and provides for the definition of two macro-roles:

- ERG S.p.A. – which provides strategic guidance – is directly responsible for business development and ensures the management of all business support processes (“Corporate processes”), also through personnel from other Group companies,

The company is organised in the following areas:

- Corporate Strategy and Mergers & Acquisitions
  - Business Development, Engineering & Construction
  - Administration, Finance, Control & Procurement
  - Human Capital & ICT
  - Regulatory & Public Affairs
  - Corporate & Legal Affairs
  - ESG, IR & Communication
- ERG Power Generation S.p.A. – which ensures the management of the engineering and construction activities and the industrial and commercial processes of the Group, also through personnel belonging to other subsidiaries, organised as part of the “Generation & Market” department in:
    - Wind & Solar generation units, which in turn are organised on a geographical basis;
    - an Energy Management & Sales structure, as a single entry point to organised markets and the main clients/ counterparties;
    - a centre of expertise that ensures the efficiency of the operating model and the related global standardisation of processes;
    - a structure dedicated to managing health, safety, quality and environmental protection topics for the entire Group,
    - an area dedicated to the development and digitalisation of business systems,

Throughout 2024, the Group continued to evolve its operating model to develop more flexible investment strategies and capitalise on the best market opportunities. Accordingly, the organisational changes include (i) the establishment of a new Corporate Strategy and M&A area that aims to create value in Europe and the United States through M&A initiatives, Joint Ventures, commercial partnerships, co-development agreements and innovative projects, and (ii) the establishment of a single Business Development, Engineering & Construction area in order to enhance the skills present in the Group and make the end-to-end organic development process more effective. Additionally, to better address the challenges of the current context, the operating model of the Generation & Market area has also evolved. This evolution focuses on enhancing plant performance, advancing commercial offerings, and leveraging digitalisation as a crucial tool for increasing efficiency, innovation and competitiveness.



## CHANGE IN BUSINESS SCOPE IN THE FIRST HALF OF 2024

### • Wind/Solar – France: Falcon

On 28 December 2023, ERG, through its subsidiary ERG Eolienne France SAS, has signed an agreement with QEnergy France SAS, a leading operator in the renewable energy sector in France, for the acquisition of 100% of CEPE Renouvellement Haut Cabardès SAS, a company that owns a 73,2 MW wind and solar portfolio in France. The portfolio of plants subject to the acquisition consists of two photovoltaic systems, which entered into operation between June and September 2022, for a total of 20,4 MWp of installed capacity, a 28,8 MWp photovoltaic system that entered into operation at the end of June and a 24 MW wind farm in the final commissioning phase following total reconstruction to new (repowering). The total estimated output is about 125 GWh annually, equivalent to 64 kilotons of CO<sub>2</sub> emissions avoided. The two solar systems in operation and the wind farm benefit from a tariff regime with a 20-year CfD, while the generation of the photovoltaic systems, which entered into operation at the end of the second quarter of 2024, is linked to a 15-year PPA with a leading corporate counterparty.

The value of the transaction in terms of enterprise value was approximately EUR 86 million, with an equity value of approximately EUR 17 million. The closing was completed in January 2024, it should be noted that the newly acquired French companies are consolidated starting from 1 January 2024.

### • Wind/Solar – USA

On 24 April 2024, the Group completed the closing of a major agreement with Apex Clean Energy Holdings LLC (Apex), a leading independent US clean energy developer, to create a strategic partnership with the mission of managing a portfolio of wind and solar power plants already in operation and potentially develop it.

This transaction represents the Group's first step into the overseas market and envisages the creation of a holding company under US law into which a wind farm and a solar plant, both in operation, for a total of 317 MW of installed capacity and an estimated output of approximately 1 TWh have been conferred, as well as a cooperation agreement relating to approximately 1 GW of new onshore solar and wind projects under development in the United States. The holding company is 75% owned by ERG and 25% by Apex, which continues with the operational management of the assets. The portfolio consists of a 224.4 MW onshore wind farm located in Iowa that entered into operation in the first half of 2023, with an estimated annual output of over 800 GWh, and a 92.4 MW photovoltaic system located in Illinois that entered into operation in the second half of 2022, with an estimated annual output of over 150 GWh, equal to a total of 387 kt of CO<sub>2</sub> avoided. Both plants are part of the Midcontinent Independent System Operator (MISO), the largest US electricity market in terms of geographical area and second largest in terms of installed capacity. The two plants benefit from Tax Equity agreements with financial counterparties and were debt-free at closing, except for those related to the structure deriving from the Tax Equity Partnership agreements. Revenue is secured by long-term sales contracts (PPAs) signed with leading corporate counterparties. The consideration for the acquisition of the majority stake of 75% was equal to USD 270 million. This Report reflects the impact of the line-by-line consolidation of the wind and solar portfolio as of 1 April 2024.

During the half year, the following came into operation:

- the Roccapalumba wind farm, in the province of Palermo, with a total capacity of 47 MW, which was developed and constructed in-house, The farm's output will be enhanced through the Power Purchase Agreement (PPA) signed with Google;
- the photovoltaic system in France with a total capacity of 28,8 MW, acquired as part of the recent Falcon acquisition;
- the Mineo – Militello – Vizzini wind farm in Sicily with a total capacity of 101 MW (+51 MW incremental), the third and largest Repowering project in the Group's plant portfolio.









## STRATEGY

In recent years, renewable energy sources have solidified their central role in the transition to green economy, establishing themselves as a cost-effective, stable and energy-independent supply option. The renewable energy market today is booming in the countries where the ERG Group operates: in Europe and the US, high growth is estimated for RES, with double-digit increases in the years to come.

The scenario in which the Group operates remains challenging, with a constantly changing risk profile linked to a number of factors such as the still evolving regulatory framework, the volatile electricity prices, the cost of raw materials and investments in connection with the grid and development systems.

On 15 May 2024, the Group's Board of Directors approved and resolved on the new 2024-2026 Business Plan, which, in the face of new market challenges and in line with industry trends, aims to continue to grow by adopting a "Value over Volume" strategy aimed at competitive growth in a context of extreme volatility, to achieve more ambitious return on investment targets by seizing new opportunities in a flexible and selective manner.

## ERG'S 2024-2026 PLAN: VALUE OVER VOLUME

ERG'S NEW TARGETS TO 2026	
	<p>Selective growth <b>Ca, 4,5GW (+1,2GW) installed Capacity in 2026 (&gt; 5,0GW in 2028) pursued via a cherry-picking approach from our Pipeline and/or M&amp;A</b></p>
	<p>Investments/ EBITDA <b>CAPEX: €1,2bn 2024-2026; EBITDA: €600-€650mn @2026</b></p>
	<p>Route to market <b>Confirmed target 85%-90% regulated on total EBITDA through CFD &amp; PPA</b></p>
	<p>Value creation <b>Unlevered IRR targeted 200-400bps over WACC</b></p>
	<p>Geographical diversification <b>~10 countries in 2024: Selective Prioritization of geographies</b> Assessing <b>asset rotation</b> opportunities Targeting <b>0,5-0,7GW in the US</b></p>
	<p>Storage, hybridization &amp; digitilisation Storage and hybridization under development to increase Asset PTF Flexibility Digitalization to optimize the performance of assets</p>
	<p>ESG Leveraging on ESG 2021-2023 track record to pursue new targets in all the pillars</p>
	<p>Enhanced Shareholder Remuneration <b>Annual shareholder remuneration with a floor at €1ps as dividend and a cap at €1,3ps based on yearly performance and perspectives (upside payable also through buyback)</b></p>

## Strategy and objectives for the period 2024-2026

ERG's Business Plan aims to pursue development in the renewables sector by achieving an installed capacity of 4,5 GW by 2026 (with a projection of 5 GW by 2028), i.e, a growth of 1,2 GW in the three-year period 2024 - 2026 of which over 50% guaranteed by projects already finalised or under construction, The "Value over Volume" approach is based on a number of pre-established basic criteria:

- focus on core countries with a clear regulatory framework;
- Route-to-market defined in advance;
- Value creation target above the WACC of 200-400bps.

### Today, ERG has a solid 5GW pipeline made up of:

- + 340 MW already under construction including wind, solar and storage;
- + 350 MW of greenfield at an advanced stage of construction including wind and solar;
- +750 MW of wind power repowering in Italy, France and Germany;
- + 1 GW of projects in the United States through the cooperation agreement with Apex;
- + 1,25 GW of solar co-development agreements in Spain;
- + 1,3 GW of "early stage" greenfield wind, solar, storage and hybrid.

As part of the 2024-2026 Plan, **Repowering** remains one of the fundamental pillars of ERG's growth, In this case as well, the pipeline will be activated in an opportunistic manner with a flexible approach based on market dynamics and the evolution of regulatory requirements.

The Group's **internationalisation** process continues, which aims to consolidate its presence in the regions where it is already present, with a focus on the development of US assets, where the goal is to reach 0,5 - 0,7 GW of installed capacity in the plan period, Asset rotation represents an additional lever of growth that can be flexibly activated with a view to maximising value.

The plan also pursues the objectives of **technological diversification** through greater impetus for battery storage projects (BESS) and the hybridisation of its wind and solar power plants. In fact, the Group aims to increase the flexibility of its asset portfolio in order to integrate solar and wind power generation with systems capable of balancing output and increasing efficiency.

As far as **Route-to-Market** is concerned, the Group intends to leverage its consolidated experience in energy management to optimise its market access strategy. The confirmed target is to reach 85-90% of quasi-regulated EBITDA through incentives, CfDs and PPAs with leading corporate counterparties in the various geographic segments in which it is present, PPAs are confirmed as a fundamental tool in the overall plan which are capable of providing a concrete response to persistent market volatility.

In the period 2024-2026, capital expenditure relating to the outlined strategy totals approximately EUR 1,2 billion in Italy, Europe and the United States (with about EUR 2 billion forecast to 2028). The EBITDA is confirmed and expected in the range between EUR 600 and 650 million in 2026.

ERG has a solid financial structure that is capable of sustainably supporting growth and shareholders' remuneration with the aim of maintaining the Investment Grade rating, with a leverage target over the plan period of no more than 4 times the expected EBITDA while maintaining a competitive cost of debt.

## ESG STRATEGY 2024-2028



## ESG REMAINS AT THE HEART OF ERG'S STRATEGY

Leveraging the important results achieved in the 2021-2023 period, ERG's commitment remains focused on creating sustainable value for all of our stakeholders, The Group's ESG plan is always structured on the 4 pillars of Planet, People, Engagement and Governance.

- In **Planet**, the main objective is the decarbonisation strategy (Net zero by 2040 – target approved by the Science-Based Target initiative), confirmed by the important results achieved in 2023, where we almost completely eliminated direct (Scope 1) and indirect (Scope 2) emissions, This is accompanied by the objectives regarding Circular Economy and Natural Capital Preservation to minimise impacts on the environment and biodiversity.
- For **Engagement**, the goal of sharing the creation of value at the group level continues, both in the area in which it operates, but also in developing areas (e.g, African countries) by supporting Non-Profit Organisations with projects for reusing panels that are in excellent working order.
- For **People**, the focus is on ensuring the highest standards in the HSE area with regard to the safety of people and Diversity & Inclusion matters, The specific HSE objectives, which are also linked to the incentive systems of all company management, are constantly monitored.
- **Governance** plays a fundamental role, Over the years, the Group has strengthened it, now aiming for continuous improvement, both in terms of fiscal transparency and the supply chain, Finally, in the area of Information Security, the Group is aiming for a European-wide extension of ISO 27001 and ISO 27019 certification.

The **ERG Academy** project cuts across the **People** and **Engagement** pillars, Launched in 2023, it promotes both the internal training of ERG's people and those of the next generation to accompany a cultural evolution on the energy transition and achieve a more international size in line with the Group's growth,



### Share buy-back programme

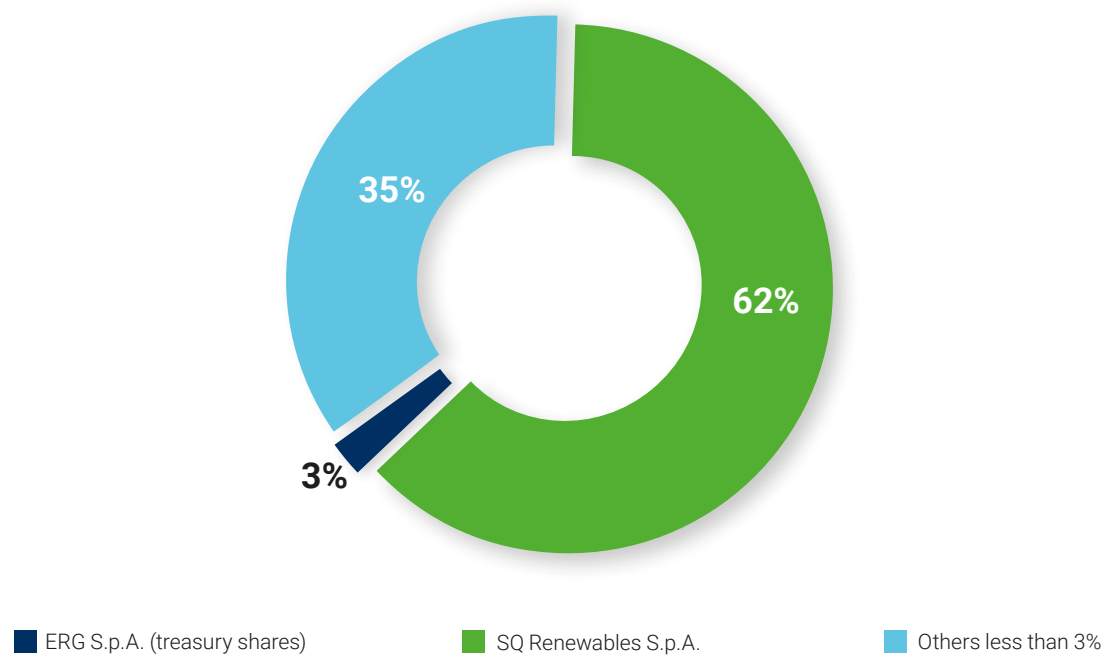
On 12 October 2023, the Board of Directors of ERG S.p.A. resolved to start the share buy-back programme, in compliance with the resolution passed by the Shareholders' Meeting on 26 April 2023.

The share buy-back programme was completed on 12 February 2024; since the start of the programme, 3,758,000 ordinary shares (maximum number of shares that can be purchased) have been repurchased at a weighted average price of EUR 26.0 per share. Considering the shares already in its portfolio prior to the start of the programme, ERG S.p.A. holds 4,540,080 treasury shares, equal to 3.0203% of the related share capital.

Following the subsequent allocation of treasury shares to Management, at 30 June 2024 ERG S.p.A. held 3,831,474 treasury shares, equal to 2.5489% of the related share capital.

Information on the purchase of treasury shares was updated weekly on the Company's website ([www.erg.eu](http://www.erg.eu)) in the "Media/Press Releases" section.

Below is the company's shareholding structure at the reporting date of 30 June 2024:



## SIGNIFICANT EVENTS DURING THE HALF-YEAR

Date	Geographical segment	Sector	Significant event
17 January 2024	Italy	Corporate	ERG is confirmed among the Corporate Knights "Global 100", ERG ranked first among Italian companies, 28th in the 2024 ranking, a significant improvement compared to the 54 <sup>th</sup> position in 2023.
24 January 2024	Italy	Corporate	TIM and ERG: kick-off for the "Missione Ambiente – Generazioni a scuola di Sostenibilità" (Mission Environment – Generations at Sustainability School) project, aimed at promoting the spread of a sustainability culture. The project will involve ten Italian cities and includes in-depth courses on sustainability, environmental protection and ecological transition for secondary schools.
29 January 2024	France	Wind Solar	Completion of the acquisition of a 73.2 MW wind and solar portfolio in France. The acquisition portfolio consists of two photovoltaic systems in operation (20.4 MW), one in an advanced state of construction (28.8 MW) and a wind farm in the commissioning phase (24 MW).
1 February 2024	Italy	Wind	ERG and Google sign a 20-year agreement for the supply of 2 TWh of renewable energy. The pay-as-produced agreement provides for the supply of renewable energy and guarantees of origin produced by the Roccapalumba wind farm, in the province of Palermo.
6 February 2024	Italy	Corporate	ERG is confirmed as being on the Carbon Disclosure Project's "A list" for the second year.
19 February 2024	Italy	Corporate	Conclusion of the share buy-back programme, launched in the fourth quarter of 2023.
23 February 2024	Italy	Wind	ERG continues to grow in Italy with the completion of the construction and start-up of the greenfield plant at Roccapalumba in Sicily (47 MW).
29 February 2024	Italy	Corporate	The Board of Directors of ERG S.p.A, approved the Policy for Gender Equality, strengthening its commitment to Diversity & Inclusion.
1 March 2024	Italy	Solar	"Social Purpose for Solar Revamping", the project conceived by ERG to guarantee a second life to photovoltaic panels resulting from the revamping activities of its solar systems, was presented today at Key Energy 2024.

<b>13 March 2024</b>	<b>Italy</b>	<b>Corporate</b>	The Board of Directors of ERG S.p.A, has approved the Draft Financial Statements for 2023, the Report on Corporate Governance and ownership, and the consolidated non-financial statement.
<b>9 April 2024</b>	<b>Italy</b>	<b>Corporate</b>	Fitch Ratings agency ("Fitch") confirmed for ERG S.p.A, a Long Term Issuer Default Rating (IDR) of BBB- with stable outlook and a senior unsecured rating of BBB-, (see also <i>Press Release of 7 June 2024</i> ).
<b>23 April 2024</b>	<b>Italy</b>	<b>Corporate</b>	The Ordinary Shareholders' Meeting of ERG S.p.A, has approved the Separate Financial Statements at 31 December 2023, resolved the payment of EUR 1 per share, appointed the new Board of Directors, confirmed Edoardo Garrone as the Chairman and approved the long-term incentive plan (2024-2026 LTI System). The Board of Directors, in its meeting on the same date, confirmed Alessandro Garrone as executive Deputy Chairman, Giovanni Mondini as Deputy Chairman and Paolo Luigi Merli as Chief Executive Officer.
<b>24 April 2024</b>	<b>Italy</b>	<b>Wind</b>	ERG has finalised the third Repowering project with the start-up of the 101-MW wind farm at Mineo-Militello-Vizzini in Sicily.
<b>24 April 2024</b>	<b>United States</b>	<b>Wind Solar</b>	ERG officially enters the US renewables market thanks to the launch of a strategic partnership with APEX Clean Energy (see <i>press release above of 21 December 2023</i> ).
<b>15 May 2024</b>	<b>Italy</b>	<b>Corporate</b>	The Board of Directors of ERG S.p.A, approved the Business Plan and the 2024-2026 ESG Plan.
<b>26 June 2024</b>	<b>Italy</b>	<b>Corporate</b>	ERG placed its fourth Green Bond for EUR 500 million, with a 6-year fixed-rate maturity, The issue is in the form of a Green Bond and the proceeds will be earmarked for wind, solar and storage projects located in Europe, the United Kingdom and the United States of America.

# HIGHLIGHTS

Adjusted <sup>(2)</sup> Year	(EUR million)	Reported <sup>(1)</sup> 1st half		Adjusted <sup>(2)</sup> 1st half	
		2024	2023	2024	2023
<b>2023</b>					
<b>MAIN INCOME STATEMENT FIGURES</b>					
741	Revenue	386	370	386	370
<b>534</b>	<b>Gross operating profit (loss) (EBITDA)</b>	<b>274</b>	<b>269</b>	<b>281</b>	<b>271</b>
<b>312</b>	<b>Operating profit (EBIT)</b>	<b>146</b>	<b>156</b>	<b>154</b>	<b>158</b>
<b>226</b>	<b>Profit attributable to the owners of the parent<sup>(3)</sup></b>	<b>128</b>	<b>79</b>	<b>106</b>	<b>114</b>
<b>MAIN FINANCIAL FIGURES</b>					
<b>3,757</b>	<b>Net invested capital</b>	<b>4,313</b>	<b>3,674</b>		
2,140	Equity	2,187	2,076		
1,445	Net financial indebtedness (before IFRS 16) <sup>(4)</sup>	1,912	1,516		
1,617	Net financial indebtedness (after IFRS 16) <sup>(4)</sup>	2,125	1,690		
40%	Financial leverage before IFRS 16 <sup>(5)</sup>	47%	43%		
<b>OPERATING DATA</b>					
<b>3,266</b>	<b>Total installed capacity at the end of the period</b>			<b>3,754</b>	<b>3,087</b>
<b>6,139</b>	<b>Total electricity output</b>			<b>3,670</b>	<b>2,989</b>
1,496	Installed capacity at the end of the period – Italy			1,594	1,466
2,784	Electricity output – Italy			1,517	1,349
600	Installed capacity at the end of the period – France			674	600
1,315	Electricity output – France			652	650
327	Installed capacity at the end of the period – Germany			327	327
629	Electricity output – Germany			315	306
311	Installed capacity at the end of the period – UK & Nordics			311	311
455	Electricity output – UK & Nordics			303	218
266	Installed capacity at the end of the period – Spain			266	117
213	Electricity output – Spain			247	91
266	Installed capacity in East Europe			266	266
742	Electricity output – East Europe			372	376
-	Installed capacity at the end of the period – UK			317	-
-	Electricity output in the United States			263	-
<b>489</b>	<b>Capital expenditure<sup>(6)</sup></b>			<b>444</b>	<b>311</b>
<b>636</b>	<b>Employees at the end of the period<sup>(7)</sup></b>			<b>648</b>	<b>612</b>
<b>NET UNIT REVENUE<sup>(8)</sup></b>					
<b>117</b>	<b>NET UNIT REVENUE<sup>(8)</sup></b>			<b>101</b>	<b>121</b>
109	Italy – Wind			120	117
342	Italy – Solar			400	345
93	France – Wind			81	93
96	France – Solar			84	96
140	Germany – Wind			91	152
111	UK & Nordics – Wind			67	75
123	Spain – Solar			40	130
91	East Europe – Wind			85	100
n.a.	United States - Wind			51	n.a.
n.a.	United States - Solar			44	n.a.

(1) Reported economic indicators are calculated on the basis of the Financial Statements and include special items and related taxes.

(2) Starting from 2024, the adjusted operating results include the accounting impacts of IFRS 16. The comparative results for 2023 were therefore restated in line with the new approach defined by the Group. Adjusted economic indicators do not include special items and related applicable theoretical taxes.

(3) It should be noted that the reported profit attributable to the owners of the parent, for the comparative period, includes the contribution of the thermoelectric business, sold on 17 October 2023, while the adjusted profit attributable to the owners of the parent, for the comparative period, does not include the contribution of the thermoelectric business.

(4) Net indebtedness is indicated in the dual measure "before IFRS 16", excluding the liabilities linked to the application of IFRS 16, and "after IFRS 16", including the aforementioned liabilities.

(5) Financial leverage before IFRS 16 is calculated by comparing the net financial indebtedness before IFRS 16 with the net invested capital, not including Right of Use assets.

(6) In property, plant and equipment and intangible assets, The figure for the first half of 2024 also includes capital expenditure relating to Merger & Acquisition transactions in the United States of EUR 235 million and in France of EUR 84 million.

(7) The comparative figure for the first half of 2023 does not include personnel dedicated to ensuring the operation of the CCGT cogeneration plant, sold in October 2023.

(8) Net unit revenue (net of clawbacks) is expressed in EUR/MWh and is calculated by dividing the technology output by the revenue achieved on energy markets, inclusive of the impact of hedges, of any incentives due and the relative variable costs associated to generation/sale including, for example, imbalance costs and market access fees.

## COMMENTS ON THE HALF YEAR'S PERFORMANCE

In the first half of 2024, **adjusted revenue** amounted to EUR 386 million, a slight increase compared to the first half of 2023 (EUR 370 million), mainly as a result of the contribution from the higher capacity in operation, partly offset by lower sales prices, which were lower than in the first half of 2023. The higher output volumes were partly offset by lower market prices, significantly lower than in the first half of 2023. The lower market scenario only partially affected the results as the Group adopts a hedging policy that provides for sales through fixed rates, Power Purchase Agreements (PPAs) under pre-established price conditions and financial agreements.

Outputs amounted to 3.7 TWh, an increase of 0.7 TWh compared to the first half of 2023 (+23%), due to the acquisitions made in the second half of 2023 and at the beginning of 2024 and the contribution of new wind farms developed in-house that entered into operation, as well as the higher wind speeds recorded in Italy and the UK.

**Adjusted EBITDA**, net of special items, amounted to EUR 281 million, up compared with the EUR 271 million recorded in the first half of 2023.

### ITALY

- **Wind (EUR +25 million)**: EBITDA of EUR 137 million, up compared to the first half of 2023 (EUR 112 million) thanks to higher output, deriving from the new wind farms that entered into operation starting from the second half of 2023, and slightly higher sales prices compared to the same period of the previous year, due to the higher value of the GRIN incentive. These effects are partly offset by a strongly declining market scenario compared to the same period in 2023. Output amounted to 1,396 GWh in the first half of 2024 compared to 1,224 GWh in the first half of 2023 (+14%).
- **Solar (EUR +6 million)**: EBITDA of EUR 44 million, up from the first half of 2023 (EUR 39 million) due to higher sales prices that benefited from forward sales made in line with Group policy, partly offset by lower output mainly due to plant revamping activities. Output amounted to 120 GWh in the first half of 2024 compared to 125 GWh in the first half of 2023.

### ABROAD

- **Wind (EUR -18 million)**: EBITDA amounted to EUR 100 million, down from the first half of 2023 (EUR 118 million) mainly due to lower prices captured, only partly offset by the scope effect arising from the new acquisitions in the US (224 MW) and France (24 MW) and higher output recorded compared to the comparative period in the UK & Nordics. Within the broader context of lower market prices, the price effect was particularly significant in Germany where products are sold under one-way CfDs which had benefited from high-priced hedges in 2023. Output amounted to 1,797 GWh in the first half of 2024 compared to 1,499 GWh in the same period of 2023.
- **Solar (EUR -3 million)**: EBITDA of EUR 10 million, down from the first half of 2023 (EUR 13 million) due to lower market prices compared to the first half of 2023, which had benefited from particularly high hedging prices in Spain, partly offset by the scope resulting from the acquisitions of photovoltaic systems in Spain (149 MW), France (49 MW) and the United States (92 MW). Output amounted to 356 GWh in the first half of 2024 compared to 141 GWh in the same period of 2023, mainly due to the scope effect related to the new photovoltaic systems.

Overall, the scope effect related to new operating capacity amounted to EUR 28 million thanks to the acquisitions made in 2023 and early 2024 in the United States, France and Spain and the full contribution of the new repowering and greenfield plants in Italy, developed internally and entered into operation in the second half of 2023 and early 2024. It should be noted that the total gross operating profit (EBITDA) is impacted by the electricity price hedging policies implemented in line with the Group's risk policies.

**Adjusted EBIT** amounted to EUR 154 million (EUR 158 million in the first half of 2023). Depreciation and amortisation amounted to EUR 127 million, up compared to the first half of 2023 (EUR 113 million) and reflected the full contribution of the new assets acquired during the period (EUR 11 million) and developed internally (EUR 6 million), partly offset by the extension of the useful life of foreign wind power assets (EUR -2 million) as a result of the "Life-time extension" programmes, which started in the second quarter of 2023.

The **Adjusted profit attributable to owners of the parent** was EUR 106 million, down from the first half of 2023 (EUR 114 million<sup>9</sup>), and reflects, in addition to what has already been commented on, higher financial expenses (EUR +1 million) mainly due to the effect linked to the reporting mechanisms of the Tax Equity Partner of the US portfolio and higher taxes (EUR 4 million), up as a result of the ACE<sup>10</sup> (Aid for Economic Growth) tax benefit ceasing to apply in Italy from 2024.

The **Reported profit attributable to owners of the parent** totalled EUR 128 million, including the net tax impacts of special items, a sharp increase compared to EUR 79 million in the first half of 2023<sup>11</sup>.

In the first half of 2024, **capital expenditure** amounted to EUR 444 million (EUR 311 million in the first half of 2023) and refers mainly to **capital expenditure in property, plant and equipment and intangible assets** related to the acquisition of a portfolio of wind plants and photovoltaic systems in the United States (317 MW)<sup>12</sup>, the acquisition of wind farms and photovoltaic systems in France (73 MW), Repowering on Italian farms for approximately 177 MW of new wind capacity, 101 MW of which became operational in April, the construction of Greenfield farms in Italy (47 MW) France (59 MW) and the UK (47 MW) and the start of operations of the first Storage project (13 MW).

The **net financial indebtedness before IFRS 16** totalled **EUR 1,912 million**, a significant increase (EUR +467 million) compared to 31 December 2023 (EUR 1,445 million).

The change reflects the effects of the distribution of dividend income to shareholders (EUR 148 million), capital expenditure and acquisitions in the half-year (EUR 444 million), the payment of taxes (EUR 53 million)<sup>13</sup>, the change in working capital (EUR 66 million), and the completion of the share buy-back programme (EUR 37 million) partly offset by EBITDA for the period (EUR 281 million<sup>14</sup>).

**Net financial indebtedness after IFRS 16** includes the liabilities (pursuant to IFRS 16) relating to the discounting of future lease payments equal to EUR 213 million at 30 June 2024 (EUR 172 million at 31 December 2023). The increase in the period is attributable to the scope effect due to the acquisitions of wind farms and photovoltaic systems in the United States and in France.

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9 The comparative figure for the first half of 2023 refers to the profit of continuing operations attributable to owners of the parent, therefore not including the contribution of the thermoelectric business, sold on 17 October 2023.

10 Aid to Economic Growth (ACE), repealed by Article 5 of Italian Legislative Decree no. 216 of 30 December 2023.

11 It should be noted that the Reported profit attributable to owners of the parent for the first half of 2023 included the contribution of the thermoelectric business, sold on 17 October 2023.

12 The acquisition was finalised in April 2024.

13 The amount includes the payment of the substitute tax on the redemption of capital gains relating to the Siena and Donatello business combinations, which took place in 2022.

14 EBITDA adjusted do not include special items and related applicable theoretical taxes.

## BASIS FOR PREPARATION

The Interim financial report at and for the six months ended 30 June 2024, prepared on the basis of the indications contained in Article 154-ter of the Consolidated Finance Act, includes the Condensed Interim Consolidated Financial Statements, prepared in condensed form in compliance with IAS 34 "Interim Financial Reporting".

Unless otherwise indicated, the amounts included in the Interim Financial Directors' Report are expressed in Euro.

The Condensed Interim Consolidated Financial Statements were reviewed by the independent auditors KPMG S.p.A. in compliance with CONSOB (the Italian Commission for listed companies and the stock exchange) regulations; the results of their work will be published as soon as they are available.

### **Disclosure pursuant to Articles 70 and 71 of the Issuers' Regulation**

The Parent has selected the option, introduced by CONSOB with its resolution no. 18079 of 20 January 2012, of waiving the obligation to make available to the public an information document upon carrying out significant transactions, i.e. mergers, demergers, capital increases by contributions in kind, acquisitions and sales.

### **Operating segments**

Operating results are presented and commented on with reference to the various geographical segments in which ERG operates, in line with the Group's internal performance measurement methods. It should be noted that the results, shown by geographical segment, reflect the energy sales on markets by Group Energy Management, in addition to the application of effective hedges of the generation margin. The above mentioned hedges include, inter alia, the use of instruments by Energy Management to hedge the price risk. In order to give a clearer representation of business by geographic segment and, secondarily, by technology, the wind and solar results include the hedging carried out in respect of renewables.

### **Alternative Performance Indicators (APIs) and adjusted results**

Some of the Alternative Performance Indicators (APIs) used in this document are different from the financial indicators expressly provided for by the IAS/IFRS adopted by the Group.

These alternative indicators are used by the Group in order to facilitate the communication of information on its business performance as well as its net financial indebtedness. In order to facilitate an understanding of the business segments' performance, the operating results are shown with

the exclusion of significant special income components of an exceptional nature (special items): these results are indicated with the term "Adjusted results". The results that include significant income statement components of an exceptional nature (special items) are also defined as "Reported results". A definition of the indicators and the reconciliation of the amounts involved are provided in the "Alternative Performance Indicators" section.

### **IFRS 16**

Starting from 2024, the Group, in line with industry practice, also includes the effects of IFRS 16 on its adjusted operating results. The comparative data were restated in line with the new approach.

Net indebtedness is indicated in the dual measure "before IFRS 16", excluding the liabilities linked to the application of IFRS 16, and "after IFRS 16", including the aforementioned liabilities.

### **Consolidation of the acquisition of the wind and solar portfolio in the United States**

With regard to the recent acquisition of wind plants and photovoltaic systems in the USA, which took place during the second quarter of 2024, on the date of this Report a Purchase Price Allocation exercise was carried out on the basis of available information; consistently with the indications of IFRS 3 and in consideration of the short period of time between the acquisition date and the date of preparation of this press release, this procedure shall be deemed provisional and subject to changes and adjustments.

Additional details regarding the allocation of surplus amounts and the related accounting effects will be provided in the Annual Financial Report at 31 December 2024. In this regard, note that based on the provisions of IFRS 3, the measurement of assets and liabilities may be subject, if necessary, to changes in the twelve months after the acquisition date.

This Interim Financial Report reflects the impact of the line-by-line consolidation of the wind and solar portfolio (totalling 317 MW) as of 1 April 2024.

### **Risks and uncertainties in relation to the business outlook**

With reference to the estimates and forecasts contained in this document, and in particular in the section "Business outlook", it should be noted that the actual results could differ from those presented due to a number of factors, including: future price trends, the operating performances of plants, wind and irradiance conditions, the impact of energy industry and environmental regulations, and other changes in business conditions and competitors' actions.

## REFERENCE MARKET

### Price scenario

Year 2023		1st half	
		2024	2023
<b>Base load price scenario (EUR/MWh)</b>			
<b>Italy</b>			
127	Single National Price <sup>(1)</sup>	93	136
0	Feed-In Premium (FIP) (former Green Certificates) – Italy	42	0
41	TTF	30	45
83	CO <sub>2</sub>	64	86
<b>Abroad</b>			
97	France	47	111
95	Germany	67	104
144	Poland	97	167
112	<i>of which Electricity</i>	86	122
32	<i>of which Certificates of Origin</i>	11	44
104	Bulgaria	77	109
133	Romania	106	139
104	<i>of which Electricity</i>	77	109
29	<i>of which Green Certificate</i>	29	29
122	Northern Ireland	96	136
108	Great Britain	76	123
87	Spain	39	88
65	Sweden SE4	56	81

(1) Single National Price,

# REGULATORY FRAMEWORK – INCENTIVES AND TARIFFS

## INCENTIVES AND TARIFFS ITALY

### Wind

- Plants that entered into operation before 2013: feed-in premium (FIP) equal to  $(180 \text{ EUR/MWh} - P_{-1}) \times 0,78$  where  $P_{-1}$  is the average annual value of the sale price of the electricity of the previous year, Duration of the incentive: 15 years.
- Plants that entered into operation from 2013: FIP against a reference rate awarded through participation in Dutch auctions. With the Italian Ministerial Decree of 4 July 2019, wind power and photovoltaic power compete for the same quota both for the registries and for the auction procedures and the FIP is a "two-way CfD". Duration of the incentive: 20 years. As of September 2023, the reference tariff values for auction procedures are subject to updating on the basis of the national consumer price index for the entire community (NIC), to take into account the cumulative average inflation from August 2019 until the month preceding the date of the auction, in application of Italian Decree Law 57/2023.
- Plants subject to complete reconstruction (Repowering) can participate in auctions, competing directly with the new plants (starting from the sixth auction even if they have not adhered to the so-called "Spalma-incentivi") albeit with the application of a 5% deduction on the awarded tariff. In addition, a gradient coefficient D of 0,9 is applied to the incentive component (understood as the differential between the awarded tariff and the hourly zonal price).

### Solar

- Incentives for photovoltaic systems are paid through a FIP tariff on the energy fed into the grid for a duration of 20 years.
- The feed-in tariff was introduced in Italy with the Interministerial Decrees of 28 July 2005 and of 6 February 2006 (1st Feed-in Premium) which provided for a financing system for electric power generation operating expenses.
- New measures were introduced with the Italian Ministerial Decree of 19 February 2007 (2nd Feed-in Premium) such as the application of the incentive tariff on all energy produced by the plant and differentiation of tariffs also based on the type of architectural integration and the size of the plant.
- In 2010, the 3rd Feed-in Premium came into effect with the Italian Ministerial Decree of 6 August 2010, applicable to plants in operation from 1 January 2011 to 31 May 2011, which introduced specific tariffs for integrated photovoltaic systems with innovative characteristics, Italian Law no. 129/2010 (so-called "salva Alcoa" law) then confirmed the 2010 tariffs of the 2nd Feed-in Premium for all plants able to certify the conclusion of works by 31 December 2010 and become operational by 30 June 2011.
- The Italian Ministerial Decree of 5 May 2011 (4th Feed-in Premium) defined the incentive mechanism relating to plants coming into operation after 31 May 2011 and introduced an annual cumulative cost limit for incentives, set at EUR 6 billion.
- The Italian Ministerial Decree of 5 July 2012 (5th Feed-in Premium) partly confirmed the provisions of Italian Ministerial Decree of 5 May 2011 and fixed the cumulative cost of incentives at EUR 6,7 billion. The incentive provisions of the Feed-in Premium were no longer applied after 6 July 2013 when the ceiling of EUR 6,7 billion was reached.
- The Italian Ministerial Decree of 17 October 2014 (so-called "Spalmaincentivi" decree) made it mandatory for producers to choose, by November 2014, a method for remodulating the incentive:
  - a) extension of the incentive period by a further 4 years with simultaneous reduction of the unit incentive by a value of between 17% and 25%, depending on the residual life of the right to incentives;
  - b) an initial period of incentive reduction followed by a subsequent period of increase thereof for an equivalent amount;
  - c) flat reduction applied for the remaining incentive period, variable between 6% and 8% depending on the size of the plant,

- The Italian Ministerial Decree of 4 July 2019 allows photovoltaic systems to access the incentives, for 20 years, through auctions and registries together with the wind power quota provided that:
  - a) they are authorised;
  - b) they use new components;
  - c) they comply with the prohibition on installing ground-mounted modules in an agricultural area; this prohibition does not apply to agrivoltaic plants which, in compliance with the provisions of Article 65, paragraph 1-quater, of Italian Decree Law no. 1 of 24 January 2012, use innovative supplementary solutions that do not compromise the continuity of agricultural cultivation and pastoral activities. Access to incentives for agrivoltaic plants is also subject, in compliance with the provisions of Article 65, paragraph 1-quinquies, of Italian Decree Law no. 1 of 24 January 2012, to the simultaneous implementation of monitoring systems that make it possible to verify the impact on crops, water savings and agricultural productivity.

## INCENTIVES AND TARIFFS ABROAD

### Germany Wind

- Plants that entered into operation by July 2014: Feed-In Tariff (FIT) and, on an optional basis, FIP plus a management premium (EEG 2012).
- Plants that entered into operation from August 2014 to December 2016: FIP (EEG 2014).
- Plants authorised by the end of 2016 and in operation by 2018: a transition period is provided for, in which it is possible to continue to benefit from the tariffs set out in the EEG 2014 of declining value in relation to the actual new power installed during the period.
- Plants that entered into operation from 2017 onwards: FIP incentives allocated through Dutch auctions (EEG 2017, EEG 2021 and EEG 2023). The duration of the incentive is approximately 20 years. The value of the incentive is determined on the basis of a 1-way Contract for Difference (CfD) and the tariff awarded in the auction is adjusted according to the so-called "Referenzertrag" formula.

### Germany Solar

- Systems that entered into operation from 2017 onwards: FIP incentives allocated through Dutch auctions (EEG 2017, EEG 2021, EEG 2023). Ground-mounted photovoltaic systems up to a capacity of 20 MW can access the auctions. This limit (already waived by the transitional provision for the 2023 financial year only up to 100 MW) was definitively amended up to 50 MW with SolarPackage 1 (published in the Federal Law Gazette of 15 May 2024) but is currently awaiting validation by the Commission European.
- The value of the incentive is determined on the basis of a one-way Contract for Difference (CfD) for around 20 years.

### France Wind

- Plants that stipulated the application to purchase electricity generation by December 2015: a Feed-In Tariff (FIT) for 15 years, defined based on the year the application to purchase electricity generation was made and updated annually according to a formula tied to the index of hourly labour cost and to the index of the generation prices of industrial products. After 10 years of operation, it will be reduced for the subsequent 5 years of the incentive based on the wind farm's actual load factor if the annual number of hours of operation exceed 2,400.
- Plants that stipulated the application to purchase electricity generation in 2016: feed-in premium (FIP). The FIP is divided into several components: the incentive component (complément de rémunération), calculated as the difference between the current FIT and the average monthly price of energy weighted on the national wind power profile, plus a management premium to cover the costs for managing the sale of energy.
- New plants that do not fall into the above categories: recognition of incentives occurs through auction procedures (for the awarding of incentives with a duration of 20 years partially adjusted to inflation indices on an annual basis) or direct access in the case of plants with a capacity of less than 18 MW and wind turbines with a unit capacity of no more than 3 MW and meeting specific criteria.

**France  
Solar**

- A FIT system introduced in 2000 and from 2011 auctions for photovoltaic systems with a capacity of between 250 kW and 17 MW.
- From 2018, auctions for photovoltaic systems with a capacity exceeding 500 kW for the assignment of a two-way CfD with 20-year term, partially adjusted for inflation indices on an annual basis.

**Bulgaria  
Wind**

- A feed-in tariff (FIT) in brackets based on hours of operation, which is constant in nominal terms. The duration of the incentive varies based on the date of entry into operation, and can be equal to 12 years or 15 years. From 1 January 2019, for existing plants with capacity of over 4 MW, the incentive scheme moved from a FIT structure to a FIP structure. The incentive is calculated as the difference between the value of the FIT, as previously recognised, and a Reference Price calculated on the estimate of the future price of electricity adjusted on the wind profile. From 1 October 2019, existing plants with capacity between 1 MW and 4 MW also moved to the FIP.

**Poland  
Wind**

- Plants in operation by July 2016: Certificates of Origin (CO). The Substitution Fee (the penalty applied in the event of non-compliance with the CO purchase obligation) is calculated on the basis of the weighted annual average of the prices of the CO recorded the previous year, plus 25%.
- From 2018 onwards, a multi-technology Dutch auction system was reintroduced, i.e. wind – photovoltaic. The quotas and the starting auction prices are defined by the Government. The incentive, which has a 15-year duration, is calculated as the difference between the awarded price, inflated on a yearly basis, and the average daily price of electricity (two-way CfD).

**Romania  
Wind**

- Green Certificates with a duration of 15 years with delayed assignment with respect to the underlying electricity output, Specifically:
  - a) recovery period of the Green Certificates (GCs) held from 1 July 2013 to 31 March 2017 (it takes place at constant instalments through the years 2018-2025);
  - b) the period of validity of the GCs, which is planned until 31 March 2032 (only GCs issued before 31 March 2017 maintain the validity of 12 months).
- The cap and the floor between which the price of the GCs may fluctuate were set respectively at 35 EUR/MWh and 29,4 EUR/MWh.
- From 2018 onwards, the mandatory quota for the electricity consumers shall be determined according to a pre-set fixed volume of GCs on the market and a maximum average expense on the end consumer.

**Spain  
Solar**

- *Regimen Especifico*, where the main element of revenue supplementation is the “*Retribución a la Inversión*” (Return on Investment), expressed in EUR/MW, calculated on an annual basis and paid for the entire duration of the incentive period of 30 years, based on the plant’s capacity. An additional element of revenue supplementation is also envisaged, expressed in EUR/MWh, if necessary, to cover operating costs, the “*Retribucion a la Operacion*” (Return on Operation).
- From 2016: the introduction of the auction mechanism for the recognition of “*Retribución a la Inversión*” (Return on Investment), calculated on an annual basis and paid for the entire duration of the incentive period of 25 years, based on the plant’s capacity and the winning bid. Discount offered on the standard value of the initial investment (EUR/MW), which represents the main remuneration parameter for calculation of the Return on Investment.
- From 2020, abandonment of the previous incentive system, based on a Return Asset Base system, in favour of the adoption of a system based on remuneration of the electricity produced. The incentive is calculated as the difference between the awarded price and the average daily price of electricity (two-way CfD). The remuneration period is not fixed but lasts for a period no less than 12 years and up to the attainment of the maximum volume of energy subject to incentives.

- United States**  
**Wind**  
**Solar**
- To promote the spread of renewable energy, a mechanism of Renewable Energy Certificates (RECs) is in place in the US. These can be issued to electricity producers for every megawatt-hour of electricity generated by RES and supplied to the grid. RECs are tradeable environmental securities, and can be sold either together with the electricity produced by the generator (bundled) or separately from the electricity (unbundled).
  - Many States in the US have set renewable energy portfolio standards (RPS – Requirement Portfolio Standard) that electricity service providers are required to guarantee. To demonstrate compliance with the standards, electrical service providers use RECs, thereby generating demand for certificates. Within the MISO, RPSs are only applied in four States (Illinois, Minnesota, Indiana and Michigan), but RECs issued in Illinois can also be traded in the adjacent PJM electricity market, where States have set more demanding RPSs.
  - Tax Equity Partnership (TEP): these agreements, typical of the US Renewable Energy market, are a form of project incentive that uses a combination of flows generated by the Project and tax benefits. The structures of Tax Equity agreements can vary, but generally, in return for an investment made by the so-called Tax Equity Partner (Partner) upon the completion of plant construction, the investment return primarily comes through the allocation of tax credits (Investment Tax Credit, ITC, or Production Tax Credit, PTC). The Mulligan Solar, LLC solar project benefited from an ITC, already finalised by its nature before closing, while the Great Pathfinder Wind, LLC wind project benefits from PTC incentives, extended over time.

# RELEVANT LEGISLATIVE AND INSTITUTIONAL UPDATES DURING THE HALF-YEAR

## EUROPEAN UNION

### • **European Parliament elections**

On 18 July 2024, Ursula Von der Leyen was re-elected as head of the European Commission, thanks to the support of EPP, S&D, Renew and Verdi. Legislation is expected to continue along the same lines as before, without any radical changes. In her keynote speech, she confirmed the 2050 climate targets and the Green Deal, while showing openness to e-fuels.

### • **Electricity Market Reform**

At the end of June 2024, the "reform" of the electricity market design proposed by the Commission in March 2023 was published. This reform aimed at ensuring affordable and competitive electricity prices for all consumers.

The agreement essentially provides for the following changes: two-way Contracts for Difference (CfDs), or equivalent schemes with the same effects, will become the preferred model for renewable energies. The use of long-term zero-emission power contracts (PPAs) is also being reinforced, while capacity remuneration mechanisms will become a fundamental component of electricity market design. Member States will be obliged to set an indicative national target for flexible electricity generation from non-fossil sources. In addition, any declaration of a crisis in electricity prices will have to be agreed by the Council on a proposal from the Commission.

### • **European Council – Extension of subsidised permitting for repowering**

On 10 January, the new Regulation (EU) 2024/223 on authorisation procedures for the repowering of renewable plants was published in the European Official Journal. The new Council Regulation extends the period of application of the specific provisions on the acceleration of the repowering from renewable sources. It will be applicable as a general rule from 1 July 2024 until the end of June 2025.

The point of greatest interest is the maximum six-month deadline for authorisation procedures for repowering renewable plants including environmental impact assessment (where required) and grid connection applied to projects located in a "renewable/'suitable' area".

### • **New REMIT regulation**

Following the approval by the Council of the European Union, on 7 May a new regulation amending the regulation on wholesale energy market integrity and transparency (Regulation (EU) No. 1227/2011, REMIT) and the regulation establishing the EU Agency for the Cooperation of Energy Regulators (ACER), (Regulation (EU) 2019/942) came into force in Italy and the other EU countries. The new regulation imposes stricter requirements on EU market operators residing in a third country, requiring them to designate a representative in a Member State where they are active in the wholesale energy market. It grants ACER the authority to investigate cases with a cross-border dimension involving at least two Member States. Additionally, ACER will have new tools for conducting investigations, such as the ability to perform on-site inspections, request information, and take statements. The power to impose financial penalties for violations of prohibitions or substantive obligations under the Regulation remains with the Member States.

### • **European Commission – Net Zero Industry Act (NZIA)**

During the last plenary session before the European elections, members of the European Parliament approved the Net Zero Industry Act (NZIA).

This is an initiative deriving from the Green Deal Business Plan, aimed at enhancing the European manufacturing capacity in technologies that support the clean or near-zero emission energy transition by attracting investments.

In public contracts and energy auctions, EU countries have the right to reward project proponents on the basis of "non-economic" criteria, such as sustainability or resilience of the production chain.

## ITALY

### • **Conversion Law of the "Sicurezza Energetica" Decree Law**

On 7 February, Italian Law no. 11/2024 converting, with amendments, Italian Decree Law no. 181/2023, known as the "Sicurezza Energetica" (Energy Security) Decree, was published in the Official Journal no. 11/2024. The main changes introduced include au-

thorisation for photovoltaic systems also in agricultural areas that are not designated as "suitable", an increase in the threshold for the simplified procedure for PV projects in suitable areas, and a clarification of the mandatory but non-binding nature of the opinion of the Italian Ministry of Culture in the EIA procedure for projects in suitable areas.

In the energy market sector, the single national price (PUN) is expected to be phased out in favour of zonal prices for end customers, starting on 1 January 2025. During this transition, indices equivalent to the PUN will be adopted.

The subsequent Italian Ministerial Decree dated 18 April, approved by ARERA through a special opinion, specified the conditions to be met for this phasing out.

An "energy release" mechanism will be introduced in favour of energy-intensive companies, which will be able to purchase electricity at a fixed price from the GSE for a period of three years. However, these companies will have to commit to producing or purchasing electricity generated by new RES plants. On 7 February, Italian Law no. 11/2024 converting, with amendments, Italian Decree Law no. 181/2023, was published in the Official Journal no. 11/2024 (see Regulatory Report Nov 2023).

- **Agriculture Decree Law and conversion into law**

Italian Legislative Decree no. 63 of 15 May 2024 (so-called "Agriculture Decree Law"), on the other hand, introduced a ban on the installation of new photovoltaic systems with ground-mounted modules and the expansion of existing systems in areas classified as agricultural by urban planning regulations. In the final wording converted into law, the prohibition does not apply to projects for modification, reconstruction, upgrading or complete reconstruction. Former quarries, areas with a completed cultivation plan, some landfills, Renewable Energy Community projects and advanced agri-voltaics remain unaffected. Excluded from the prohibition are also projects whose authorisation process has already been started, at least for one of the administrative procedures, including environmental assessment procedures.

- **Suitable Areas Decree**

In the Official Journal no. 153 of 2 July 2024, the Decree was published that, in accordance with Art. 20, paragraphs 1 and 2, of Italian Legislative Decree no. 199 of 2021, regulates the areas suitable for the installation of renewable energy plants. Pursuant to Art. 20, paragraph 4 of Italian Legislative Decree 199/2021, and the principles and criteria established by this decree, the Regions are required, within one

hundred and eighty days from the date of its entry into force, to identify by regional law the areas specified in Article 1, paragraph 2 of the decree: [a) suitable areas, b) unsuitable areas, c) ordinary areas, and d) areas where the installation of ground-mounted photovoltaic systems is prohibited].

- **MASE Decree on Agrivoltaics**

At the end of December 2023, the Italian Minister of the Environment and Energy Security issued the Decree for the development of agrivoltaic technology, approving the application rules proposed by GSE in May 2024. The aim is to incentivise the implementation of experimental agrivoltaic systems by 30 June 2026, in line with the capital expenditure support measures of the National Recovery and Resilience Plan (NRRP), with a minimum capacity of 1.04 GW and an output of at least 1,300 GWh/year.

The incentives include a capital contribution up to 40% of eligible costs and an incentive tariff for the electricity produced. ARERA will define the tariff coverage and access mechanisms, through registers and auctions, with a quota of 300 MW and 740 MW respectively. Beneficiaries include agricultural entrepreneurs, agricultural companies, consortia, agricultural cooperatives and temporary associations of companies (ATI).

- **Extra-profit (surplus profits) – Question of constitutionality by the Regional Administrative Court**

On 16 January, the Regional Administrative Court (TAR) of Lazio raised several questions of constitutional legitimacy concerning Italian Law no. 197 of 2022, which provided for the payment in 2023 of the "windfall taxes" on the "surplus profits" of sector operators. The order points out the possible violation of European Regulation no. 1854/2022, as the law extended the payment of the contribution also to renewable energy operators, not included in the regulation. In addition, the Regional Administrative Court raised issues concerning the "tax" nature of the contribution, questioning its compliance with Articles 3 and 53 of the Italian Constitution and pointing out critical issues in the criteria for calculating the taxable base, in the qualification of "actual surplus profits" and in the non-deductibility of the contribution, hypothesising a potential "double taxation".

- **Extraordinary contribution Art. 37 Italian Decree Law 21/2022 – Ruling no. 111/2024 Constitutional Court**

With **ruling no. 111/2024**, the Constitutional Court ruled on the issue of the constitutionality of the extraordinary contribution against the high cost of utility bil-

Is, as set forth in Article 37 of Italian Decree Law no. 21 of 21 March 2022, declaring it **partially unlawful**, only in the part in which it includes excise duties in the taxable base of the contribution. It should be recalled that the aforementioned judgment of legitimacy – instituted at the instigation of the Tax Courts of First Instance of Milan and Rome – identified multiple objectionable aspects of Article 37, in respect of which ERG had also lodged an appeal.

In view of the many objections raised, the Constitutional Court, as mentioned above, declared the **constitutional illegitimacy** of Article 37 only in relation to the **part in which it includes** in the **taxable base** of the Extraordinary Contribution also **the excise duties** paid to the State and indicated in the invoices issued. On the other hand, the Court decided **not to uphold the other** numerous objections (Articles 3, 23, 42, 53 and 117 of the Constitution) raised by the referring orders, **thus confirming the legitimacy of the levy**.

## FRANCE

- **Surplus profits. Ruling of the Council of State on the legitimacy of the CRIM**

On 17 May, the highest administrative court decided not to pass on the issue of constitutionality concerning the contribution on infra-marginal income (CRIM).

On the strength of this ruling, the government therefore plans to renew this measure, implemented through the 2023 budget law, in 2025, aiming for higher revenue.

- **Development of agrivoltaics and conditions for the installation of photovoltaic systems on agricultural, natural or forest land.**

The French government published Decree no. 2024-318 concerning the development of agrivoltaics and the conditions for installing photovoltaic systems on agricultural, natural or forest land.

The decree defines agrivoltaics and puts farming at the centre of the debate, as it must ensure that agricultural production achieves at least 90% yield per hectare in relation to a designated control area. Furthermore, photovoltaic installations cannot cover more than 40% of the area of an agricultural plot.

The new provisions exclude the deployment of agrivoltaic systems in certain protected areas according to the country's rural and maritime code.

## GERMANY

- **Electricity grid development plan**

The Federal Network Agency confirmed the Electricity Grid Development Plan 2023-2037/2045, which envisages a significant increase in electricity transmission capacities. The plan includes approximately 4,800 kilometres of new lines and 2,500 kilometres of reinforcements to existing connections compared to the current federal demand plan. In addition, five new HVDC connections with a capacity of 2 GW each and measures to integrate offshore power generation into the onshore grid are planned. The Agency believes that other 35 projects in the North Sea and the Baltic Sea are needed by 2045 to connect up to 70 GW of offshore wind capacity.

The plan highlights the urgent need to expand the electricity transmission grid to ensure safe and reliable service. Every two years, the transmission system operators identify the measures needed to optimise, strengthen and expand the high-voltage grid. The Federal Network Agency is examining and confirming these proposals, and is preparing an environmental report on the Federal Needs Plan to assess the environmental impact of the planned measures.

- **Solar Package 1**

The German Bundestag and Bundesrat approved Solar Package 1 on 26 April, aimed at supporting the photovoltaic industry. The new legislation (published in the Federal Law Gazette of 15 May 2024) provides for greater subsidies for companies installing photovoltaic systems on roofs, with regulatory simplifications for agricultural solar systems. Citizens will now be able to install small solar systems on their balconies without bureaucratic complications, while homeowners will be able to generate their own electricity. The package also includes provisions to accelerate the expansion of wind energy, biomass and to improve grid connections, as well as some changes to the EEG23 auction.

## UK

- **Electricity Generator Levy 2024**

The 2024 Budget Law contains the update of the price cap to be applied for the calculation of the measure of partial return of revenue from the "Electricity Generator Levy". The new "reference amount" will apply from 1 April 2024 until 31 March 2025 and is set at 77.94 GBP/MWh.

The measure also contains an exemption from the EGL for new projects for which the final investment decision was made on or after 22 November 2023.

## SPAIN

- **Update of the transmission grid development plan**

The Council of Ministers, at the request of the Ministry for Ecological Transition and Demographic Challenge (MITECO), approved an amendment to the Electricity Transmission Grid Development Plan by 2026. This amendment comprises 73 actions, with an investment of EUR 489 million, aimed at facilitating the development of strategic projects including the integration of storage systems and generation from renewable sources.

At the same time, work began last December on a new Plan with a 2030 horizon, bringing forward the usual planning cycle by six years, in order to respond more promptly to the energy transition process, which will include further grid development actions.

## POLAND

- **National Energy and Climate Plan (KPEiK)**

At the end of February, the Ministry of Climate and Environment published the updated version of the National Energy and Climate Plan (KPEiK). The main targets for 2030 include a 29.8% share of renewable energy in gross final energy consumption, a 35% reduction in greenhouse gas emissions, and a significant reduction in the role of coal-powered units. The electricity sector will have to achieve a share of 50.1% of renewable energies, while heating/cooling and transport will have targets of 32.1% and 17.7%, respectively. In addition, the new target for the share of renewable energy in the electricity sector is 57%, with significant increases planned for onshore wind, photovoltaic and offshore wind capacity. Nuclear power will be introduced between 2030 and 2035 to replace gas-fired units, distributed generation from renewable sources, storage and demand response will be increased to improve the flexibility of the electricity system.

## ROMANIA

- **Emergency Procedure 32/2024 on "Surplus Profits"**

The Minister of Energy approved a new limit on electricity prices for producers, reduced to 400 Lei/MWh (approximately 80 EUR/MWh) from the previous 450 Lei/MWh, a decrease of approximately 10 EUR/MWh. In addition, the contribution to the Energy Transition Fund was introduced as a recovery mechanism, calculated on the difference between the monthly sales price and a reference price, to be paid by 31 March

2025. Electricity generators and aggregators trading electricity and/or natural gas on the wholesale market through hedging contracts will be required to pay this contribution to the Fund.

## BULGARIA

- **National Energy and Climate Plan**

Bulgaria has published the updated version of the National Energy and Climate Plan (NECP) 2021-2030. The main objective is to achieve a 34.1%-share of renewable energies in gross final energy consumption by 2030, compared to 27% in the previous NECP. The specific objectives include a share of 42.2% in renewable energy in the electricity sector, 45.5% in heating and cooling and 15.2% in transport.

The forecasts for the installed capacity of renewable energy include 2.6 GW of onshore wind power and 5.5 GW of photovoltaic power by 2030, compared to the previous targets of 0.95 GW and 3.2 GW, respectively. Projections with existing policies and measures indicate that lignite-fuelled power plants will be gradually replaced by renewables after 2025. To balance the system, the increase in renewable energy production will be accompanied by an increase in nuclear capacity between 2030 and 2040. The installed capacity of renewable energy is expected to reach 10.9 GW in 2030 and 12.2 GW in 2040, with an 87% reduction in fossil generation capacity. Nuclear capacity is expected to reach 4.3 GW by 2024.

- **Amendment to the 2023 Budget Law – Implementation of Regulation (EU) no. 2022/1854 on the cap on revenue from electricity**

In December 2022, the amendment to the Budget Extension Law was published in implementation of Regulation (EU) no. 2022/1854 for the introduction of a cap on revenue from the sale of electricity through "infra-marginal" technologies, therefore including wind power and photovoltaic. This limit was then extended to the whole of 2024

For producers from renewable sources with a "premium contract in force at October 2022, where the premium is equal to 0 BGN/MWh, the contribution to be paid is defined as the difference between the market price of the electricity captured and a "revenue cap" calculated by applying a reference price that will be determined by the Energy Authority.

For producers with zero premiums, such as ERG, the contribution is calculated as 90% of the difference between the market price of electricity captured by the plant and the "revenue cap" equal to the tariff of the premium contract.

- **Ratification of extension of measures on “surplus profits”**

On 30 December, Budget Law 2024 was published in the Official Journal no. 108, ratifying the extension of the application of the revenue capping mechanism. According to Article 3, effective from 1 January 2024, electricity producers will have to continue to declare and pay the contribution also for the period from 1 January 2024 to 31 December 2024.

For producers with “premium compensation contracts” in force as of 8 October 2022, such as all ERG

SPVs, the price cap remains set equal to the value of the respective FIP (with a contribution to be calculated on 90% of the surplus). For the other contract types (market plants) the price cap value from July 2023 is equal to 300 BGN/MWh (approx. 150 EUR/MWh), reduced compared to the price cap of 350 BGN/MWh (approx. 180 EUR/MWh) at the beginning of the measure.

## PERFORMANCE BY COUNTRY

Year	2023 <sup>(1)</sup>	(EUR million)	1st half		Δ
			2024	2023 <sup>(1)</sup>	
		<b>Adjusted revenue</b>			
	<b>374</b>	<b>Italy</b>	<b>222</b>	<b>191</b>	<b>31</b>
	<b>367</b>	<b>Abroad</b>	<b>163</b>	<b>179</b>	<b>(16)</b>
	124	France	53	61	(8)
	89	Germany	30	47	(17)
	54	UK & Nordics	30	19	11
	27	Spain	10	12	(2)
	73	East Europe	34	40	(6)
	-	United States	7	-	7
	<b>35</b>	<b>Corporate</b>	<b>19</b>	<b>16</b>	<b>2</b>
	<b>(35)</b>	<b>Intra-segment revenue</b>	<b>(18)</b>	<b>(16)</b>	<b>(1)</b>
	<b>741</b>	<b>Total adjusted revenue</b>	<b>386</b>	<b>370</b>	<b>16</b>
		<b>Adjusted EBITDA</b>			
	<b>299</b>	<b>Italy</b>	<b>181</b>	<b>151</b>	<b>30</b>
	<b>256</b>	<b>Abroad</b>	<b>109</b>	<b>130</b>	<b>(21)</b>
	81	France	30	42	(12)
	68	Germany	20	37	(17)
	38	UK & Nordics	16	11	5
	20	Spain	6	10	(4)
	49	East Europe	26	30	(4)
	-	United States	12	-	12
	<b>(21)</b>	<b>Corporate</b>	<b>(10)</b>	<b>(11)</b>	<b>0</b>
	<b>534</b>	<b>Adjusted EBITDA</b>	<b>281</b>	<b>271</b>	<b>10</b>
		<b>Adjusted amortisation, depreciation and impairment losses</b>			
	<b>(121)</b>	<b>Italy</b>	<b>(62)</b>	<b>(61)</b>	<b>(0)</b>
	<b>(97)</b>	<b>Abroad</b>	<b>(63)</b>	<b>(50)</b>	<b>(14)</b>
	(40)	France	(23)	(21)	(2)
	(20)	Germany	(10)	(11)	1
	(13)	UK & Nordics	(9)	(6)	(3)
	(6)	Spain	(6)	(2)	(4)
	(18)	East Europe	(9)	(9)	(0)
	-	United States	(7)	0	(7)
	<b>(4)</b>	<b>Corporate</b>	<b>(2)</b>	<b>(2)</b>	<b>(0)</b>
	<b>(223)</b>	<b>Adjusted amortisation, depreciation and impairment losses</b>	<b>(127)</b>	<b>(113)</b>	<b>(14)</b>

Year		1st half		
2023 <sup>(1)</sup>	(EUR million)	2024	2023 <sup>(1)</sup>	Δ
<b>Adjusted EBIT</b>				
177	<b>Italy</b>	120	90	30
159	<b>Abroad</b>	46	81	(35)
41	<i>France</i>	7	20	(14)
48	<i>Germany</i>	9	26	(16)
25	<i>UK &amp; Nordics</i>	8	6	2
15	<i>Spain</i>	(0)	7	(8)
31	<i>East Europe</i>	17	21	(5)
-	<i>United States</i>	6	0	6
(25)	<b>Corporate</b>	(12)	(12)	0
<b>312</b>	<b>Adjusted EBIT</b>	<b>154</b>	<b>158</b>	<b>(4)</b>
<b>Capital expenditure <sup>(2)</sup></b>				
219	<b>Italy</b>	79	94	(16)
265	<b>Abroad</b>	364	216	148
25	<i>France</i>	118	11	107
3	<i>Germany</i>	1	0	1
45	<i>UK &amp; Nordics</i>	10	22	(12)
190	<i>Spain</i>	0	182	(182)
2	<i>East Europe</i>	0	0	(0)
-	<i>United States</i>	235	0	235
4	<b>Corporate</b>	1	1	0
<b>489</b>	<b>Total capital expenditure</b>	<b>444</b>	<b>311</b>	<b>132</b>

(1) Starting from 2024, the adjusted operating results include the accounting impacts of IFRS 16. Therefore, the comparative results of 2023 have been restated in line with the new approach defined by the Group.

(2) They include capital expenditure in property, plant and equipment and intangible assets and M&A investments (EUR 319 million in the first half of 2024). It should be noted that the figures do not include the increase in Right of Use assets.

## ITALY

The ERG Group operates in Italy through its companies that own wind and solar farms. Aside from the availability of plants, the performance of each wind farm is influenced by the wind speed profile of the site on which the farm is located, by the sales price of electricity, which can vary in relation to the region where the plants are located, by the incentive systems for renewable energy sources and by the regulations of organised energy markets.

ERG is active in the generation of electricity in Italy, with an installed capacity of 1,419 MW in wind and 175 MW in solar.

Year 2023		1st half		
		2024	2023	Δ
	<b>Operating results</b>			
1,496	<b>Installed capacity (MW) <sup>(1)</sup></b>	<b>1,594</b>	<b>1,466</b>	<b>128</b>
1,321	Wind	1,419	1,291	128
175	Solar	175	175	0
2,784	<b>Output (GWh)</b>	<b>1,517</b>	<b>1,349</b>	<b>168</b>
2,528	Wind	1,396	1,224	172
256	Solar	120	125	(4)
	<b>Load factor % <sup>(2)</sup></b>			
24%	Wind	24%	22%	2%
17%	Solar	16%	16%	-1%
131	<b>Net unit revenue (EUR/MWh)</b>	<b>143</b>	<b>138</b>	<b>5</b>
109	Wind	120	117	4
342	Solar	400	345	55

(1) installed capacity of plants in operation at the end of the period.

(2) actual output in relation to maximum theoretical output (calculated taking into account the actual date of entry into operation of each individual farm).

In the **first half of 2024, electricity output** in Italy amounted to 1,517 GWh, of which 1,396 GWh from wind sources and 120 GWh from photovoltaic systems, an increase compared to the same period in 2023 (1,349 GWh of which 1,224 from wind sources and 125 GWh from solar sources), due to the contribution from repowered and greenfield plants commissioned between the second half of 2023 and the beginning of 2024 and better wind conditions recorded during the period.

Year 2023	(EUR million)	1st half		
		2024	2023	Δ
	<b>Economic results</b>			
374	<b>Adjusted revenue</b>	<b>222</b>	<b>191</b>	<b>31</b>
285	Wind	173	147	25
89	Solar	49	43	6
299	<b>Adjusted EBITDA</b>	<b>181</b>	<b>151</b>	<b>30</b>
220	Wind	137	112	25
79	Solar	44	39	6
(121)	<b>Amortisation, depreciation and impairment losses</b>	<b>(62)</b>	<b>(61)</b>	<b>(0)</b>
(75)	Wind	(39)	(37)	(2)
(47)	Solar	(22)	(24)	1
177	<b>Adjusted EBIT</b>	<b>120</b>	<b>90</b>	<b>30</b>
145	Wind	98	75	23
33	Solar	22	15	7
219	<b>Capital expenditure in property, plant and equipment and intangible assets</b>	<b>79</b>	<b>94</b>	<b>(16)</b>
201	Wind	67	92	(25)
18	Solar	4	2	2
-	Storage	8	-	8
80%	<b>EBITDA Margin % <sup>(1)</sup></b>	<b>82%</b>	<b>79%</b>	<b>3%</b>
77%	Wind	79%	76%	3%
89%	Solar	90%	90%	1%

(1) ratio of adjusted EBITDA to revenue from sales and services.

**Revenue** in the **first half of 2024** increased mainly due to the value of the GRIN incentive (42 EUR/MWh), the scope effect mentioned above, and better wind conditions, partly offset by lower sales prices on the energy markets.

In light of the above, for ERG the net unit revenue from wind power in Italy, considering the sale value of energy, including the value of incentives (former green certificates) and hedges as well as other minor components, was equal to 120 EUR/MWh (117 EUR/MWh in the first half of 2023).

Net revenue per unit from photovoltaic systems amounted to 400 EUR/MWh (345 EUR/MWh in the first half of 2023), up due to hedging set at higher prices than in the same period of 2023 and higher feed-in tariff revenue due to "incentive allocation".

**Adjusted EBITDA** in Italy in the **first half year of 2024** amounted to EUR 181 million, up compared to the same period of 2023 (EUR 151 million).

### Capital expenditure

Capital expenditure in the first half of 2024 (EUR 79 million) mainly refers to the completion of construction activities for the Roccapalumba greenfield plant (47 MW) and to the repowering activities (177 MW) on the Mineo-Militello-Vizzini and Salemi-Castelvetrano plants in addition to the usual maintenance aimed at further increasing the efficiency of the plants, In Solar, the Revamping of the plants has begun, aimed at ensuring greater efficiency of the same, In addition, activities relating to the Storage Project (13 MW) were launched.

### Significant legal and regulatory updates during the period

See also the chapter on 'Important regulatory and institutional updates'.

- **ARERA - Reference price for calculating incentives ex cv 2024**

At the end of January, ARERA published Resolution No. 14/2024/R/efr of 30 January 2024 to determine the average value of the sale price of electricity in the year 2023 (PEE), for the purpose of quantifying the value of the incentives replacing green certificates for the year 2024.

In the year 2023, the PEE was set at 125.96 €/MWh. Consequently, the value of incentives (replacing CVs) in 2024, resulting from the formula =  $0.78 * (180 - PEE)$ , is 42.15 €/MWh.

- **ARERA - IMBALANCE PRICES FOLLOWING CONNECTION TO 'PICASSO'**

On 1 March, the outcome of the investigation conducted by ARERA on the formation of strongly negative imbalance prices, following the start of Terna's operations on the European 'PICASSO' platform, was published.

The result of the analysis led ARERA to ask Terna to suspend its operational participation in the PICASSO platform as soon as technically possible, and in any case by 15 March 2024, pending the approval and implementation of the mitigation measures proposed by the TSOs at European level.

In addition, Terna is expected to submit a report on the phenomenon within four months from now, containing proposals for possible mitigation, and to evaluate possible alternative platform participation models, which would also allow the merit-order model to

be applied nationwide.

Terna subsequently complied with ARERA's provisions by discontinuing its operational participation in the platform from the 'flow day' of 15 March 2024, while remaining part of the European PICASSO implementation project.

- **Terna's participation in the European MARI platform**

ARERA approved Resolution no. 174/2024/R/eel, which sanctions the work plan for the start-up of Terna's participation in the MARI European platform for the mFRR balancing energy exchange. The planned start-up date for Italy was July 24, 2024. However, given the problems encountered with the PICASSO platform, which led to the suspension of Italy's operational participation in March 2024, ARERA approved a new work plan. This plan includes the finalisation of proposals to amend the Network Code for coordination between MSD and MARI, a public consultation on the proposals, and the submission of the final proposal to ARERA by October 2024.

- **CAPACITY MARKET 2025+ - ARERA RESOLUTION 199/2024**

On 23 May, ARERA approved Resolution 199/2024/R/eel 'Economic parameters of the capacity market tendering procedures for the delivery years 2025, 2026, 2027 and 2028'. The maximum premium defined is shown below:

Delivery period	2025	2026	2027	2028
<b>Max premium</b>				
New production	85,000 €/MW	86,000 €/MW	86,000 €/MW	86,000 €/MW
Mid point curve	71,000 €/MW	72,000 €/MW	72,000 €/MW	73,000 €/MW
Existing production	45,000 €/MW	46,000 €/MW	47,000 €/MW	48,000 €/MW

In the case of newly constructed units, it is required that the commencement of works for the construction of the unit be subsequent to the date of execution of the auction. The commencement of works is defined as the date of commencement of construction work on the unit or, if earlier, the date of the first binding commitment to order the necessary equipment or the date on which any other commitment making the investment irreversible has been made.

- **TIDE entry into force update**

Since TIDE implementation activities by Terna and GSE are proceeding much more slowly than expected, ARERA has published a consultation document on a new roadmap for TIDE implementation.

The document confirms the start of the validity period of TIDE from 1 January 2025; however, since Terna's new Grid Code will not be available by that date, ARERA defines a transitional phase from 1 January to 30 September 2025, during which TIDE will be applied using the current version of the Grid Code and the new versions of the TIDME and the PCE Regulation.

## Wind

- **Council of Ministers March and July 2022 - EIA release. RES plants and subsequent measures**

In March 2022, the Council of Ministers of the Italian government exercised its statutory power of substitution by approving for Environmental Impact Assessment (EIA) purposes renewable plant projects totalling 418 MW.

Among the projects involved is the repowering of the 121.5 MW ERG 'Nulvi - Ploaghe' (Sassari) wind farm. The EIA Approval Decree for ERG's repowering was subsequently published in May 2022, only to be challenged at the end of June by the Region of Sardinia before the Sardinian Regional Administrative Court (TAR), which at the end of November 2022 upheld the Region's claims, effectively cancelling the EIA Decree. In July 2022, ERG filed an application to obtain the Single Authorisation (AU) for the project. In Decem-

ber 2022, ERG appealed before the Council of State against the Sardinian Regional Administrative Court's ruling that had annulled the EIA Decree. In April 2024, the Council of State's ruling confirming the validity of the EIA Decree issued in 2022 was published, while in the same month the application to obtain the AU was reactivated with the Region of Sardinia.

- **Extraordinary contribution art. 37 Decree Law 21/2022 - Sentence no. 111/2024 Constitutional Court**

With Sentence No. 111/2024, the Constitutional Court ruled on the issue of the constitutionality of the extraordinary contribution against the high cost of utility bills, as set forth in Article 37 of Decree-Law No. 21 of 21 March 2022, declaring it partially unlawful, only in the part in which it includes excise duties in the taxable base of the contribution. It should be recalled that the aforementioned judgment of legitimacy - instituted at the instigation of the Tax Courts of first instance in Milan and Rome - identified several censurable aspects of Article 37, in respect of which ERG had also lodged an appeal.

Faced with the many censures put forward, the Constitutional Court, as mentioned above, declared the constitutional illegitimacy of Article 37 only in relation to the part in which it includes in the taxable base of the Extraordinary Contribution also the excise duties paid to the State and indicated in the active invoices. On the other hand, the Court held that it did not uphold the other numerous complaints (Articles 3, 23, 42, 53 and 117 of the Constitution) raised by the referring ordinances, thus confirming the legitimacy of the levy.

- **End-of-life management of photovoltaic modules - WEEE quotas**

Owners of photovoltaic systems incentivised under the various 'Conto Energia', which operated from 2006 to 2012 and are already subject to the withholding tax, will have their fees for the management and disposal of the panels withheld with the March and April 2024 payments.

According to the new provision introduced by Law No. 11 of 2 February 2024, converting the so-called 'Energy Security Decree', the fee to be retained by the GSE has been doubled to 20 euro/module, effective from September 2024.

## ABROAD

ERG is active abroad in the generation of electricity from wind and solar sources.

ERG is one of the ten leading operators in the wind sector in Europe with a significant and growing presence (1,450 MW operational), mainly in France (546 MW, increased at the beginning of 2024 with the acquisition of a 24 MW wind farm), Germany (327 MW), Poland (142 MW), UK & Nordics (311 MW), Romania (70 MW), Bulgaria (54 MW).

In addition, ERG operates in France and Spain in the production of electricity from solar sources with 393 MW of installed capacity, of which 128 MW in France and 266 MW in Spain, an increase compared to the same period of 2024 due to acquisitions respectively of 149 MW in Spain and 49 MW in France.

In April 2024, the Group entered the renewable energy market in the United States through a strategic partnership with Apex Clean Energy, acquiring a wind and solar portfolio (317 MW).

## France

Year 2023		1st half		Δ
		2024	2023	
	<b>Operating results</b>			
600	<b>Installed capacity (MW) <sup>(1)</sup></b>	674	600	73
522	Wind	546	522	24
79	Solar	128	79	49
1,315	<b>Output (GWh)</b>	652	650	2
1,219	Wind	593	600	(7)
96	Solar	59	50	9
	<b>Load factor % <sup>(2)</sup></b>			
27%	Wind	25%	26%	-1%
14%	Solar	11%	15%	-4%
93	<b>Net unit revenue (EUR/MWh)</b>	81	93	(12)
93	Wind	81	93	(12)
96	Solar	84	96	(12)

(1) installed capacity of plants in operation at the end of the period.

(2) actual output in relation to maximum theoretical output (calculated taking into account the actual date of entry into operation of each individual farm).

In the **first half of 2024, electricity output** in France amounted to 652 GWh, of which 593 GWh from wind power and 59 GWh from photovoltaic systems, substantially in line with the same period of 2023 (650 GWh of which 600 GWh from wind power and 50 GWh from photovoltaic systems) mainly due to the scope effect (+45 GWh) resulting from the acquisition of wind farms and photovoltaic systems carried out at the beginning of 2024 offset by the lower wind levels recorded compared to a 2023 above historical averages.

Years	(EUR million)	1st half		Δ
		2024	2023	
		<b>Economic results</b>		
124	Adjusted revenue	53	61	(8)
115	Wind	48	56	(8)
9	Solar	5	5	0
81	Adjusted EBITDA	30	42	(12)
75	Wind	28	39	(11)
6	Solar	2	3	(1)
(40)	Amortisation, depreciation and impairment losses	(23)	(21)	(2)
(35)	Wind	(20)	(19)	(1)
(4)	Solar	(3)	(2)	(1)
41	Adjusted EBIT	7	20	(14)
40	Wind	7	20	(12)
2	Solar	(1)	1	(2)
25	Capital expenditure in property, plant and equipment and intangible assets	118	11	107
25	Wind	82	11	70
0	Solar	36	0	36
65%	EBITDA Margin % <sup>(1)</sup>	56%	68%	-12%
66%	Wind	58%	69%	-11%
64%	Solar	42%	63%	-21%

(1) ratio of adjusted EBITDA to revenue from sales and services.

**Revenue** recorded in the **first half of 2024** amounted to EUR 53 million, down from the same period in 2023 (EUR 61 million) due to lower prices captured and lower volumes recorded, only partly offset by the scope resulting from the acquisition made at the beginning of 2024.

Net unit revenue from wind power in France, equal to 81 EUR/MWh, was down compared to the same period of 2023 (93 EUR/MWh) due to the contraction in market prices, which had only a limited impact as most of the wind farms still benefit from the two-way incentive mechanism.

Net unit revenue from photovoltaic systems totalled 84 EUR/MWh, down from 96 EUR/MWh in the previous year, as the newly acquired plants are currently sold on the market while waiting to enter the feed-in tariff.

The **adjusted EBITDA** in France in the **first half of 2024** amounted to EUR 30 million, down compared to the first half of 2023 (EUR 42 million), for the same reasons linked to revenue.

### Capital expenditure

Capital expenditure in France in the **first half of 2024 (EUR 118 million)** mainly relates to the acquisition in January 2024 of 73 MW of wind plants and photovoltaic systems (EUR 84 million), of which 44 MW already started and 29 MW which became operational during the second quarter, as well as the development and construction of new wind farms (59 MW) scheduled to come into operation in the second half of 2024 and early 2025.

### Significant legal and regulatory updates during the period

See also the chapter on 'Important regulatory and institutional updates'.

- **Connection to the European PICASSO platform**

The connection of RTE to the PICASSO platform for aFRR regulation was planned for July 2024, but due to problems encountered and necessary reforms, it was postponed to Q4 2024 'at the earliest'. This delay is due to the regularly observed extreme prices (up to

+/- 15,000 €/MWh) and the suspension of TERNA's participation from 15 March 2024. CRE conditioned the connection of RTE to PICASSO on the implementation of European price mitigation measures by ACER (resolution of 29/02/2024).

## Germany – Wind

Year		1st half		Δ
		2024	2023	
2023				
	<b>Operating results</b>			
327	Installed capacity (MW) <sup>(1)</sup>	327	327	-
629	Output (GWh)	315	306	9
22%	Load factor % <sup>(2)</sup>	22%	21%	1%
140	Net unit revenue (EUR/MWh)	91	152	(61)

(1) installed capacity of plants in operation at the end of the period.

(2) actual output in relation to maximum theoretical output (calculated taking into account the actual date of entry into operation of each individual farm).

In the **first half of 2024, electricity output** in Germany amounted to 315 GWh, up compared to the same period of 2023 (306 GWh) due to the higher wind speeds during the period.

Year	(EUR million)	1st half		Δ
		2024	2023	
2023				
	<b>Economic results</b>			
89	Adjusted revenue	30	47	(17)
68	Adjusted EBITDA	20	37	(17)
(20)	Amortisation, depreciation and impairment losses	(10)	(11)	1
48	Adjusted EBIT	9	26	(16)
3	Capital expenditure in property, plant and equipment and intangible assets	1	0	1
76%	EBITDA Margin % <sup>(1)</sup>	66%	89%	-22%

(1) ratio of adjusted EBITDA to revenue from sales and services.

**Revenue** recorded in the **first half of 2024** amounted to EUR 30 million, a significant decrease compared to the same period of 2023 (EUR 47 million), mainly due to the lower captured price as productions are sold through one-way CfDs and in 2023 reflected high hedging prices.

Net unit revenue from wind power in Germany, equal to 91 EUR/MWh, was therefore down compared to the first half of 2023 (152 EUR/MWh).

The **adjusted EBITDA** in Germany in the **first half of 2024** amounted to EUR 20 million, down compared to the first half of 2023 (EUR 37 million), for the same reasons linked to revenue.

## UK & Nordics – Wind

Year		1st half		Δ
		2024	2023	
2023				
	<b>Operating results</b>			
311	Installed capacity (MW) <sup>(1)</sup>	311	311	-
455	Output (GWh)	303	218	85
18%	Load factor % <sup>(2)</sup>	22%	25%	-2%
111	Net unit revenue (EUR/MWh)	67	75	(8)

(1) installed capacity of plants in operation at the end of the period.

(2) actual output in relation to maximum theoretical output (calculated taking into account the actual date of entry into operation of each individual farm).

In the **first half of 2024, electricity output** in the UK and Sweden amounted to 303 GWh, up from the same period in 2023 (218 GWh), mainly due to the contribution of assets that were in the commissioning or ramp-up phase of generation at the beginning of 2023 and the increased wind speeds during the period.

Year	(EUR million)	1st half		Δ
		2024	2023	
2023				
	<b>Economic results</b>			
54	Adjusted revenue	30	19	11
38	Adjusted EBITDA	16	11	5
(13)	Amortisation, depreciation and impairment losses	(9)	(6)	(3)
25	Adjusted EBIT	8	6	2
45	Capital expenditure in property, plant and equipment and intangible assets	10	22	(12)
71%	EBITDA Margin % <sup>(1)</sup>	55%	68%	-13%

(1) ratio of adjusted EBITDA to revenue from sales and services.

**Revenue** recorded in the first half of 2024 amounted to EUR 30 million, up compared to the same period of 2023 (EUR 19 million) mainly due to the increased output recorded, Net unit revenue amounted to 67 EUR/MWh, down compared to the same period of 2023 (75 EUR/MWh) due to lower market prices.

**Adjusted EBITDA** in the UK & Nordics segment in the first half of 2024 was EUR 16 million, up from the same period in 2023 (EUR 11 million).

Depreciation and amortisation for the period (EUR 9 million) increased compared to the first half of 2023 (EUR 6 million) due to the full contribution of the wind farms in the UK & Nordics that became operational during 2023.

### Capital expenditure

Capital expenditure in the UK & Nordics segment in the first half of 2024 relates to the construction of a new 47 MW wind farm in Northern Ireland.

### Significant legal and regulatory updates during the period

See also the chapter on 'Important regulatory and institutional updates'.

#### • Ancillary Services Market

On 8 February, the UK regulator Ofgem approved the final project for the Balancing Reserve service submitted by the National Grid Electricity Systems Operator (ESO) in December 2023.

Renewable energies, such as onshore wind power, can participate in the service by providing a positive or negative balancing reserve, with wind power plants being expected to have a preference for 'down' service. The approved project makes the Balancing Reserve more accessible to battery storage assets and distributed flexible energy resources.

The go-live of the service took place on 12 March 2024. In March, the ESO envisaged a new design from 2024/25 for some of the frequency regulation services of the electricity grid. These include the Positive and Negative Quick Reserve, the go-live of which was announced by the ESO in June, with the first daily auction scheduled by November 2024 and accessible to renewable energy plants already participating in the balancing market (Balancing Mechanism Units).

#### • Update TNUOs

The UK energy regulator, Ofgem, has published updates on reforms to Transmission Network Use Tariffs

(TNUOs). The Transmission Network System Use (TNUOs) tariffs are designed to recover the costs of installing and maintaining the transmission system in England, Wales, Scotland and offshore. They apply to generators and suppliers connected to the transmission network for transmission system use.

According to Ofgem, the feedback received from stakeholders confirmed the need for transmission tariff reform.

#### • Beyond 2030 Plan and Future System Operator

The National Grid Electricity Systems Operator (ESO) has published a report, 'Beyond 2030', recommending an additional £58 billion investment in the UK electricity grid to meet the growing demand for decarbonised electricity. In the report, the ESO states that the plan will facilitate the connection of an additional 21 GW of offshore wind in development off the Scottish coast, increasing the UK's potential offshore wind capacity to 86 GW by 2035.

The plan envisages a 'high-capacity electricity backbone' that will run from the north-east of Scotland to the north-east of England, with the intention of relieving congestion on the border between Scotland and England. The UK's energy regulator, Ofgem, has given

provisional approval for the expenditure required for the HVDC submarine highway, Eastern Green Link 2 (EGL2), which is expected to be operational by 2029. This is a transitional plan prior to the development of the Centralised Strategic Network Plan, to be published in 2026 by the new organisation that will replace the ESO, the National Energy System Operator (NESO), in its role as

Independent System Operator and Planner (ISOP) from summer 2024.

The NESO will be an independent public company that will assume the competences that the Energy Act 2023 gave to a Future System Operator (FSO), including that of ISOP not only for electricity but also for gas.

## Spain – Solar

Year		1st half		
		2024	2023	Δ
2023				
	<b>Operating results</b>			
266	Installed capacity (MW) <sup>(1)</sup>	266	117	149
213	Output (GWh)	247	91	157
21%	Load factor % <sup>(2)</sup>	21%	18%	4%
123	Net unit revenue (EUR/MWh)	40	130	(90)

(1) installed capacity of plants in operation at the end of the period.

(2) actual output in relation to maximum theoretical output (calculated taking into account the actual date of entry into operation of each individual farm).

In the **first half of 2024, electricity output** in Spain amounted to 247 GWh, up compared to the output recorded in the same period of 2023 mainly due to the scope effect (+155 GWh).

Year	(EUR million)	1st half		
		2024	2023	Δ
2023				
	<b>Economic results</b>			
27	Adjusted revenue	10	12	(2)
20	Adjusted EBITDA	6	10	(4)
(6)	Amortisation, depreciation and impairment losses	(6)	(2)	(4)
15	Adjusted EBIT	(0)	7	(8)
190	Capital expenditure in property, plant and equipment and intangible assets	0	182	(182)
74%	EBITDA Margin % <sup>(1)</sup>	54%	79%	-24%

(1) ratio of adjusted EBITDA to revenue from sales and services.

**Revenue** recorded in the **first half of 2024** amounted to EUR 10 million, down from the previous year (EUR 12 million) due to lower market prices, which were particularly penalised during daylight hours compared to 2023, which had benefited from high hedging prices. As a result, net unit revenue amounted to 40 EUR/MWh, down compared to the previous year (130 EUR/MWh).

The **adjusted EBITDA** in Spain in the **first half of 2024** amounted to EUR 6 million, down compared to the first half of 2023 (EUR 10 million).

Depreciation and amortisation for the period (EUR 6 million) increased compared to the first half of 2023 (EUR 2 million) due to the contribution of the photovoltaic systems acquired during 2023 (174 MW) and entered into operation during the second half of 2023.

## East Europe (Poland, Romania and Bulgaria) – Wind

Year		1st half		Δ
		2024	2023	
2023				
	<b>Operating results</b>			
266	Installed capacity (MW) <sup>(1)</sup>	266	266	-
742	Output (GWh)	372	376	(4)
32%	Load factor % <sup>(2)</sup>	32%	32%	0%
91	Net unit revenue (EUR/MWh)	85	100	(15)

(1) installed capacity of plants in operation at the end of the period.

(2) actual output in relation to maximum theoretical output (calculated taking into account the actual date of entry into operation of each individual farm).

In the **first half year of 2024, electricity output** in East Europe amounted to 372 GWh, substantially in line with the same period of 2023 (376 GWh), characterised by higher wind speeds in Poland and lower wind speeds in Romania and Bulgaria.

Year	(EUR million)	1st half		Δ
		2024	2023	
2023				
	<b>Economic results</b>			
73	Adjusted revenue	34	40	(6)
49	Adjusted EBITDA	26	30	(4)
(18)	Amortisation, depreciation and impairment losses	(9)	(9)	(0)
31	Adjusted EBIT	17	21	(5)
2	Capital expenditure in property, plant and equipment and intangible assets	0	0	(0)
67%	EBITDA Margin % <sup>(1)</sup>	76%	75%	1%

(1) ratio of adjusted EBITDA to revenue from sales and services.

**Revenue** of EUR 34 million recorded **in the first half of 2024** was down slightly compared to the same period of 2023 (EUR 40 million), mainly due to the reduction in energy sales prices.

Average net unit revenue in East Europe amounted to 85 EUR/MWh, down from the first half of 2023 (100 EUR/MWh). It should be noted that from April 2024, the measures introduced by the Romanian government to combat high energy prices (windfall tax) require the Group's plants to sell through PPAs at 400 lei/MWh, which is approximately 80 EUR/MWh (450 lei/MWh in 2023 and until 31 March 2024).

**Adjusted EBITDA** in East Europe for the **first half of 2024** amounted to EUR 26 million, a decrease compared to the first half of 2023 (EUR 30 million).

### Significant legal and regulatory updates during the period

See also the chapter on 'Important regulatory and institutional updates'.

### Romania

#### • Obligation Quotas and Value Green Certificates 2024

On 20 December, the ANRE Ordinance No. 107/2023 was published in the Official Gazette, establishing, among other things, the estimated mandatory quota for the purchase of green certificates for the year 2024.

-0,4944765 green certificates/MWh, according to table

Indicators	U, M,	Value
Estimated average impact of green certificates in 2024	Euro/MWh	14.5
Average rate of the National Bank of Romania - 11 months 2023	Lei/Euro	4.9443
Estimated final electricity consumption for the year 2024	MWh	45,715,703,641

OPCOM subsequently published the new limit values for trading green certificates:

- Minimum price: 145,4271 lei/CV (29,4 euro/CV), previous 144,9861 lei/CV
- Maximum price: 173,1275 lei/CV (35 euro/CV).

#### Bulgaria

##### • Definition of incentive value regulatory period 1 July 2024 - 30 June 2025

The incentive component is calculated as the differen-

ce between the reference tariff for the individual plant and the estimated baseload market price (Forecasted Market Price for Wind Producers - FMP) adjusted to the national wind profile. For the regulatory period 1 July 2024 - 30 June 2025, the Bulgarian National Authority estimated the FMP market price for wind energy to be 166,71 BGN/MWh.

The Authority reserves the right to review the FMP every six months in the event of a significant change in market prices.

## United States – Wind and Solar

As mentioned in the introduction, this Interim Financial Report reflects the impact of the line-by-line consolidation of the wind and solar portfolio acquired in the United States (totalling 317 MW) as of 1 April 2024.

	1st half		
	2024	2023	Δ
<b>Operating results</b>			
<b>Installed capacity (MW) <sup>(1)</sup></b>	<b>317</b>	-	<b>317</b>
<i>Wind</i>	224	-	224
<i>Solar</i>	92	-	92
<b>Output (GWh)</b>	<b>263</b>	-	<b>263</b>
<i>Wind</i>	213	-	213
<i>Solar</i>	50	-	50
<b>Load factor % <sup>(2)</sup></b>			
<i>Wind</i>	43%	-	43%
<i>Solar</i>	24%	-	24%
<b>Net unit revenue (EUR/MWh)</b>	<b>25</b>	-	<b>25</b>
<i>Wind</i>	21	-	21
<i>Solar</i>	44	-	44
<b>Net unit revenue including PTC (EUR/MWh)</b>	<b>50</b>	-	<b>50</b>
<i>Wind</i>	51	-	51
<i>Solar</i>	44	-	44

(1) installed capacity of plants in operation at the end of the period.

(2) actual output in relation to maximum theoretical output (calculated taking into account the actual date of entry into operation of each individual farm).

As of 1 April 2024, **energy output** in the US is 263 GWh (of which 213 GWh from wind and 50 GWh from solar), **Net unit revenue** from wind power amounted to 21 EUR/MWh (51 EUR/MWh including PTC), and that from solar power came to 44 EUR/MWh, and reflected the prices of PPAs contracted with leading corporate counterparties.

(EUR million)	1st half		
	2024	2023	Δ
<b>Economic results</b>			
<b>Adjusted revenue</b>	<b>7</b>	-	<b>7</b>
<i>Wind</i>	4	-	4
<i>Solar</i>	2	-	2
<b>Adjusted EBITDA</b>	<b>12</b>	-	<b>12</b>
<i>Wind</i>	10	-	10
<i>Solar</i>	2	-	2
<b>Amortisation, depreciation and impairment losses</b>	<b>(7)</b>	-	<b>(7)</b>
<i>Wind</i>	(6)	-	(6)
<i>Solar</i>	(1)	-	(1)
<b>Adjusted EBIT</b>	<b>6</b>	-	<b>6</b>
<i>Wind</i>	5	-	5
<i>Solar</i>	1	-	1
<b>Capital expenditure in property, plant and equipment and intangible assets</b>	<b>235</b>	-	<b>235</b>
<i>Wind</i>	182	-	182
<i>Solar</i>	53	-	53
<b>Ebitda Margin % <sup>(1)</sup></b>	<b>184%</b>	-	<b>184%</b>
<i>Wind</i>	228%	-	228%
<i>Solar</i>	94%	-	94%
<b>Adjusted revenue and Other income (PTC)</b>	<b>13</b>	-	<b>13</b>
<i>Wind</i>	11	-	11
<i>Solar</i>	2	-	2
<b>Ebitda Margin % <sup>(2)</sup></b>	<b>93%</b>	-	<b>93%</b>
<i>Wind</i>	93%	-	93%
<i>Solar</i>	94%	-	94%

(1) adjusted EBITDA ratio is to revenue from ordinary operations.

(2) adjusted EBITDA ratio is to revenue from ordinary operations and Other income (PTC).

**Revenue** from the energy sale recorded from the date of consolidation therefore amounted to EUR 7 million.

**Adjusted revenue and Other income (PTC)** amounted to EUR 13 million and included, in addition to the aforementioned revenues, EUR 6 million relating to the Production Tax Credit (PTC) income recognised under 'Other income' and calculated on the basis of the energy production recorded in the period by the wind farm.

**Adjusted EBITDA** in the United States in the **first half of 2024** amounted to EUR 12 million and was influenced by the price of PPAs and by the above-mentioned other income.

**Significant legal and regulatory updates during the period**  
See also the chapter on 'Important regulatory and institutional updates'.

#### USA

##### • ORDER NO. 1920 ON TRANSMISSION PLANNING

The Federal Energy Regulatory Commission (FERC) has introduced a new rule to ensure that the transmission grid can meet the growing demand for electricity. Order No. 1920 represents the first time in more than a decade that FERC has addressed re-

gional transmission policy and the first time ever that the Commission has explicitly addressed the need for long-term transmission planning.

The new standard adopts specific requirements for transmission providers to conduct long-term planning of regional transmission infrastructure and determine how it should be financed.

# CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS AND OTHER INFORMATION

## INCOME STATEMENT

This section shows the reported operating performance figures and adjusted performance figures, shown with the exclusion of special items. Starting from 2024, the adjusted operating performance figures include the accounting impacts of IFRS 16. The comparative figures for 2023 are therefore restated in line with the new approach defined by the Group.

It should also be noted that:

- the newly acquired US companies, owners of wind plants and photovoltaic systems for a total of 317 MW, were consolidated on a line-by-line basis starting from 1 April 2024;
- the companies acquired in France, owners of wind plants and photovoltaic systems for a total of 73,2 MW, are consolidated on a line-by-line basis starting from 1 January 2024.

For the definition of indicators, the composition of the financial statements and the reconciliation of the amounts involved, reference is made to that indicated in the Alternative Performance Indicators section below.

(EUR million)	Reported 1st half			Adjusted 1st half			
	2024	2023	Δ	2024	2023	Δ	
<b>INCOME STATEMENT</b>							
Revenue	1	386	370	16	386	370	16
Other income	2	19	12	6	19	12	6
<b>Total revenue</b>		<b>405</b>	<b>382</b>	<b>23</b>	<b>405</b>	<b>382</b>	<b>23</b>
Purchases and change in inventories	3	(6)	(6)	(1)	(6)	(6)	(1)
Services and other operating costs	4	(96)	(82)	(14)	(89)	(80)	(9)
Personnel expense		(28)	(25)	(3)	(28)	(25)	(3)
<b>EBITDA</b>		<b>274</b>	<b>269</b>	<b>5</b>	<b>281</b>	<b>271</b>	<b>10</b>
Amortisation, depreciation and impairment of non-current assets	5	(128)	(113)	(15)	(127)	(113)	(14)
<b>Operating profit (EBIT)</b>		<b>146</b>	<b>156</b>	<b>(10)</b>	<b>154</b>	<b>158</b>	<b>(4)</b>
Net financial income (expense)	6	(9)	(13)	4	(9)	(8)	(1)
Net gains (losses) on equity investments		(0)	5	(5)	0	(0)	0
<b>Profit before taxes</b>		<b>137</b>	<b>148</b>	<b>(11)</b>	<b>144</b>	<b>149</b>	<b>(5)</b>
Income taxes	7	(7)	(33)	25	(38)	(34)	(4)
<b>Profit (loss) from continuing operations</b>		<b>129</b>	<b>116</b>	<b>14</b>	<b>107</b>	<b>115</b>	<b>(9)</b>
Non-controlling interests		(1)	(1)	(0)	(1)	(1)	(0)
<b>Profit (loss) from continuing operations attributable to owners of the parent</b>		<b>128</b>	<b>115</b>	<b>14</b>	<b>106</b>	<b>114</b>	<b>(9)</b>
Profit (loss) from discontinued operations	8	0	(36)	36	0	(8)	8
<b>Profit attributable to owners of the parent</b>		<b>128</b>	<b>79</b>	<b>50</b>	<b>106</b>	<b>107</b>	<b>(1)</b>

### 1 - Revenue

Revenue from sales consists mainly of:

- sales of electricity produced by wind farms and solar installations. The electricity is sold on wholesale channels, and to customers via bilateral agreements. Specifically, electricity sold wholesale includes sales on the IPEX electricity exchange, both on the "day-ahead market" (MGP) and on the "intraday market" (MI), in addition to sales to the

main operators of the sector on the “over the counter” (OTC) platform and Power Purchase Agreements (PPAs), long-term energy sale contracts at pre-established prices, currently active in the wind sector in Italy, France, the United Kingdom, Spain and United States;

- incentives related to the output of wind farms and solar installations in operation.

Reported revenue in the first half of 2024 amounted to EUR 386 million, up compared to the first half of 2023 (EUR 370 million), mainly as a result of the contribution from increased capacity in operation and the GRIN incentive in a context of increased wind speeds during the period in some regions. The higher output volumes were partly offset by lower market prices, significantly lower than in the first half of 2023. The lower market scenario only partially affected the results as the Group adopts a hedging policy that provides for sales through fixed rates, Power Purchase Agreements (PPAs) under pre-established price conditions and financial contracts. It should be noted that revenue in the first half of 2023 included the effects related to the **regulatory interventions on the containment of energy price increases (clawback measure and windfall tax)**, which had led to refunds in the first half of 2023 amounting to EUR 7 million, while there is no significant impact in the first half of 2024 in view of the market scenario.

## 2 – Other income

This mainly includes insurance reimbursements, indemnities, expense recoveries and the partial release of risk provisions. From the second quarter of 2024 onwards, the item also includes 6,4 million in income from PTC (Production Tax Credit), an incentive instrument typical of the US renewables market, under the Tax Equity Partnership agreements.

## 3 – Purchases and changes in inventories

The item includes costs for purchases of raw materials and spare parts.

## 4 – Services and other operating costs

**Services** include maintenance costs, costs for agreements with local authorities, for consulting services, insurance and for services rendered by third parties.

**Other operating costs** mainly relate to rent, lease payments, provisions for risks and charges and to taxes other than income taxes.

The adjusted figures for the first half of 2024 do not include the ancillary costs relating to non-recurring transactions equal to EUR 6 million.

## 5 – Amortisation, depreciation and impairment of non-current assets

Adjusted depreciation and amortisation (EUR 127 million) relates to wind power and photovoltaic systems, up compared to the first half of 2023 (EUR 113 million) and reflected the full contribution of the new assets acquired during the period (EUR 11 million) and developed internally (EUR 6 million), partly offset by the extension of the useful life of foreign wind power assets (EUR -2 million) as a result of the “Lifetime extension” programmes, which started in the second quarter of 2023. The item also includes IFRS 16 amortisation and depreciation of EUR 6 million in the first half of 2024 (EUR 4 million in the first half of 2023).

## 6 – Net financial income (expense)

**Adjusted net financial expenses** in the first half of 2024 amounted to EUR 9 million, up slightly compared to the first half of 2023 (EUR 8 million)<sup>15</sup>, mainly due to the recognition of financial expense arising from the discounting at the expected internal rate of return of the total amount due to the Tax Equity Partner (EUR 3 million) in the context of the consolidation of the newly acquired US companies. The item also includes financial expense related to the application of IFRS 16 (EUR 4.5 million in the first half of 2024 compared to EUR 3.4 million in the first half of 2023) and the effects of derivative instruments hedging interest rate fluctuation risk. The average cost of non-current liabilities in the first quarter of 2024 stood at 1.5% compared to 1.3% in the first half of 2023.

## 7 – Income taxes

**Reported income taxes** amounted to EUR 7 million, down significantly from EUR 33 million in the first half of 2023, mainly as a result of the benefit arising from the redemption of goodwill as part of merger transactions<sup>16</sup> (EUR 28 million), only partially offset as a result of the ACE<sup>17</sup> (Aid for Economic Growth) tax benefit ceasing to apply in Italy from 2024.

<sup>15</sup> It should be noted that in the first half of 2023, the reported net financial expense included the financial expense related to the early closure of two project financings.

<sup>16</sup> Pursuant to Art. 15 of Italian Decree Law no. 185/2008.

<sup>17</sup> Aid to Economic Growth (ACE), repealed by Article 5 of Italian Legislative Decree no. 216 of 30 December 2023.

**Adjusted income taxes** amounted to EUR 38 million, up from EUR 34 million in the first half of 2023, mainly as a result of the ending of the ACE<sup>18</sup> (Aid for Economic Growth) tax benefit in Italy from 2024. It should be noted that the adjusted figures do not include the benefit deriving from the redemption of goodwill as part of merger transactions (EUR 28 million).

The adjusted tax rate, obtained from the ratio between income taxes and pre-tax profit, was 26% (23% in first half of 2023).

## 8 – Profit (loss) from discontinued operations

**Profit (loss) from discontinued operations** for the first half of 2023 includes the result of ERG Power S.r.l., owner of the CCGT plant, which was sold on 17 October 2023.

## STATEMENT OF FINANCIAL POSITION

The reclassified statement of financial position contains the assets and liabilities of the mandatory financial statements, used in the preparation of the annual financial report, highlighting the **uses** of resources in non-current assets and in working capital and the related funding **sources**. For the definition of the indicators for the main items used in the Reclassified Statement of Financial Position, reference is made to that indicated in the “Alternative Performance Indicators” section below.

### RECLASSIFIED STATEMENT OF FINANCIAL POSITION

30/06/2023	(EUR million)		30/06/2024	31/12/2023
3,970	Non-current assets	1	4,812	4,023
78	Net operating working capital	2	50	56
(4)	Employee benefits		(4)	(4)
303	Other assets	3	359	241
(673)	Other liabilities	4	(905)	(560)
<b>3,674</b>	<b>Net invested capital of continuing operations</b>		<b>4,313</b>	<b>3,757</b>
<b>133</b>	<b>Net invested capital of discontinued operations <sup>(1)</sup></b>		<b>-</b>	<b>-</b>
<b>3,086</b>	<b>Net invested capital</b>		<b>4,313</b>	<b>3,757</b>
2,068	Equity attributable to owners of the parent		2,103	2,133
8	Non-controlling interests	5	85	7
1,516	<b>Net financial indebtedness before IFRS 16</b>	6	1,912	1,445
174	<i>Lease liabilities</i>		213	172
1,690	<b>Net financial indebtedness after IFRS 16</b>		2,125	1,617
41	Net financial indebtedness of discontinued operations	6	-	-
<b>3,806</b>	<b>Equity and financial indebtedness</b>		<b>4,313</b>	<b>3,757</b>

(1) At 30 June 2023, the equity contribution of the thermoelectric business is reclassified to the item Net invested capital of discontinued operations, while the net financial indebtedness of the thermoelectric business is reclassified to the item “Net financial indebtedness of discontinued operations”.

## 1 - Non-current assets

(EUR million)	Intangible assets	Property, plant and equipment	Financial assets	Total
<b>Non-current assets at 31/12/2023</b>	<b>1,403</b>	<b>2,569</b>	<b>51</b>	<b>4,023</b>
Capital expenditure	2	123	0	124
Change in consolidation scope	223	507	0	729
Other changes and divestments	1	19	(0)	20
AMORTISATION AND DEPRECIATION	(37)	(91)	0	(128)
Right-of-use assets	-	44	-	44
<b>Non-current assets at 30.06.2024</b>	<b>1,590</b>	<b>3,170</b>	<b>51</b>	<b>4,812</b>

18 Aid to Economic Growth (ACE), repealed by Article 5 of Italian Legislative Decree no. 216 of 30 December 2023.

The line **Capital Expenditure** refers to Repowering construction activities on Italian wind farms for approximately 177 MW of new wind power capacity and the construction of Greenfield wind farms in Italy (47 MW), France (59 MW), UK (47 MW) and the start of operations of the first Storage project (13 MW).

The line **Changes in consolidation scope** refers to the impact of the acquisitions that took place during the half-year in the United States (317 MW) and in France (73.2 MW).

## 2 - Net operating working capital

This includes inventories of spare parts, amounts due for the sale of electricity, and trade payables mainly related to the purchase of electricity, maintenance of wind power and photovoltaic plants, and other trade payables.

## 3 - Other assets

These mainly comprise deferred tax assets, assets with the Tax Authorities for tax advances and advance payments made against current provision of services.

## 4 - Other liabilities

These concern mainly the negative effect of the fair value of derivatives hedging electricity due to the trend in commodity prices, to the deferred tax liabilities calculated on the differences between carrying amounts and the related tax basis (mainly concessions and non-current assets), the estimate of income taxes due for the period, and the provisions for risks and charges.

The item also includes the liability recognised to the Tax Equity Partner corresponding to its right to receive tax benefits over time in the form, primarily, of Production Tax Credits (PTCs) and tax losses.

## 5 – Non-controlling interests

*Non-controlling interests* relate to the non-100% equity investment (75%) in the newly established joint venture under US law, into which the wind and solar portfolio acquired in April 2024 was transferred, and to the non-100% equity investment (59%) in two newly acquired solar companies in France<sup>19</sup> and the non-100% equity investment (78.5%) in Andromeda PV S.r.l., acquired in 2019.

## 6 - Net financial indebtedness

It should be noted that for greater clarity, the net financial indebtedness is indicated in the dual measure “before IFRS 16”, excluding the liabilities linked to the application of IFRS 16, and “after IFRS 16”, indicating the aforementioned liabilities. Lease liabilities at 30 June 2024 amounted to EUR 213 million (EUR 172 million at 31 December 2023). The increase in the period is due to the change in consolidation scope following the acquisitions completed in the United States and France during the first half of 2024.

### SUMMARY OF THE GROUP'S INDEBTEDNESS

30/06/2023	(EUR million)	30/06/2024	31/12/2023
2,022	Non-current financial indebtedness	1,642	1,999
(507)	Current financial indebtedness (cash and cash equivalents)	270	(554)
<b>1,516</b>	<b>Net financial indebtedness before IFRS 16</b>	<b>1,912</b>	<b>1,445</b>
<b>174</b>	Lease liabilities	<b>213</b>	<b>172</b>
<b>1,690</b>	<b>Net financial indebtedness after IFRS 16</b>	<b>2,125</b>	<b>1,617</b>
<b>41</b>	<b>Total indebtedness of discontinued operations</b>	<b>0</b>	<b>0</b>
<b>1,730</b>	<b>Total net financial indebtedness</b>	<b>2,125</b>	<b>1,617</b>

<sup>19</sup> The acquisition was finalised in January 2024.

The following table illustrates the **non-current financial indebtedness** of the ERG Group:

#### NON-CURRENT FINANCIAL INDEBTEDNESS

30/06/2023	(EUR million)	30/06/2024	31/12/2023
329	Non-current loans and borrowings	419	329
1,593	Non-current financial liabilities	1,108	1,606
<b>1,922</b>	<b>Total</b>	<b>1,527</b>	<b>1,935</b>
188	Total Project Financing	169	98
(20)	Current portion of Project Financing	(32)	(17)
<b>168</b>	<b>Non-current Project Financing</b>	<b>137</b>	<b>81</b>
<b>(68)</b>	<b>Non-current financial assets</b>	<b>(22)</b>	<b>(17)</b>
<b>2,022</b>	<b>Total non-current financial indebtedness before IFRS 16</b>	<b>1,642</b>	<b>1,999</b>
<b>168</b>	<b>Lease liabilities</b>	<b>206</b>	<b>166</b>
<b>2,190</b>	<b>Total non-current financial indebtedness after IFRS 16</b>	<b>1,848</b>	<b>2,165</b>
<b>2,190</b>	<b>TOTAL</b>	<b>1,848</b>	<b>2,165</b>

**Non-current bank loans and borrowings** at 30 June 2024 totalled EUR 419 million and refer to four *Sustainable bilateral linked loans*, of which one subscribed in the first quarter of 2024 for a nominal amount of EUR 90 million. The amounts shown above are recognised net of non-current ancillary costs recognised using the amortised cost method (EUR 1 million).

**Non-current financial liabilities**, amounting to EUR 1,108 million, refer mainly to the liability deriving from placement of two bond issues amounting to a nominal EUR 600 million (with a 7-year duration at a fixed rate) and EUR 500 million (with a 10-year duration at a fixed rate) respectively, issued as part of the Euro Medium Term Notes (EMTN) Programme. These liabilities are recognised net of non-current accessory costs recognised for accounting purposes using the amortised cost method (EUR 6 million).

The third bond (equal to EUR 500 million) was restated to current financial indebtedness as it is expected to be repaid within the next twelve months.

The item also includes liabilities relating to deferred components of considerations for the purchase of assets and authorisations (EUR 13 million).

The liabilities for Project Financing of EUR 169 million<sup>20</sup> at 30 June 2024 relate to:

- EUR 74 million in loans relating to the company Andromeda S.r.l., owner of two photovoltaic systems in Central Italy;
- EUR 18 million in loans issued for the construction of a wind farm in Germany;
- EUR 77 million in loans disbursed for the construction of wind farms and photovoltaic systems in France, as part of the recent acquisition in January 2024.

**Non-current financial assets** of EUR 22 million refer to the long-term portion of assets arising from the fair value measurement of interest rate hedging derivatives.

<sup>20</sup> These liabilities are recognised net of medium/long-term accessory costs recognised for accounting purposes using the amortised cost method.

The breakdown of **current net financial indebtedness** is shown below:

**CURRENT FINANCIAL INDEBTEDNESS (CASH AND CASH EQUIVALENTS)**

30/06/2023	(EUR million)	30/06/2024	31/12/2023
47	Current bank loans and borrowings	111	132
-	Current portion of non-current financial liabilities	498	0
45	Other current financial liabilities	33	37
<b>93</b>	<b>Current financial liabilities</b>	<b>642</b>	<b>169</b>
(459)	Cash and cash equivalents <sup>(1)</sup>	(283)	(459)
(134)	Securities and other current financial assets	(100)	(272)
<b>(594)</b>	<b>Current financial assets</b>	<b>(383)</b>	<b>(731)</b>
20	Current Project Financing	32	17
(25)	Cash and cash equivalents	(21)	(9)
<b>(6)</b>	<b>Project Financing</b>	<b>10</b>	<b>8</b>
<b>(507)</b>	<b>Total current net financial indebtedness before IFRS 16</b>	<b>270</b>	<b>(554)</b>
6	Lease liabilities	7	6
<b>(500)</b>	<b>Total non-current financial indebtedness after IFRS 16</b>	<b>277</b>	<b>(548)</b>
<b>41</b>	<b>Total current financial indebtedness of discontinued operations</b>	<b>0</b>	<b>-</b>
<b>(460)</b>	<b>TOTAL</b>	<b>277</b>	<b>(548)</b>

(1) The figure at 30 June 2023 includes the impact of the application of IFRS 5 in relation to the cash and cash equivalents of the thermoelectric business.

**Current bank loans and borrowings** include positions related to short-term credit lines.

As noted above, the current portion of non-current financial liabilities includes a bond (equal to EUR 500 million) restated under current financial indebtedness as it is expected to be repaid within the next twelve months.

**Other current financial liabilities** mainly comprise accrued interest expenses on Bonds and Corporate Loans (EUR 13 million) as well as a financial liability, recognised at the time of acquisition, attributable to the US scope (EUR 16 million).

**Securities and other current financial receivables** mainly include short-term cash investments in the amount of EUR 82 million, the current portion of assets arising from the fair-value measurement of interest-rate hedging derivatives in the amount of EUR 11 million, and deposits as collateral for futures derivatives transactions in the amount of approximately EUR 1 million.

## Cash flows

The statement of cash flows is presented based on adjusted figures before IFRS 16, in order to facilitate understanding of the cash flow dynamics of the period. The breakdown of changes in net financial indebtedness is as follows:

Year		1st half	
2023	(EUR million)	2024	2023
534	Adjusted EBITDA	281	271
(19)	Change in net working capital	(62)	54
<b>501</b>	<b>Cash flows from operations</b>	<b>219</b>	<b>325</b>
(305)	Capital expenditure in property, plant and equipment and intangible assets	(124)	(130)
(184)	Asset acquisitions and business combinations	(319)	(182)
6	Capital expenditure on non-current financial assets	0	1
(1)	Other changes and divestments	(9)	(1)
<b>(478)</b>	<b>Cash flows from investments/divestments</b>	<b>(453)</b>	<b>(311)</b>
(6)	Financial income (expense)	(6)	(5)
(5)	Financial expense for closing loans	-	(4)
(0)	Net gains (losses) on equity investments	0	(0)
88	Collection distribution reserves ERG Power <sup>(1)</sup>	-	-
<b>77</b>	<b>Cash flows from financing activities</b>	<b>(6)</b>	<b>(9)</b>
<b>(26)</b>	<b>Cash flows from tax management</b>	<b>(53)</b>	<b>(8)</b>
(154)	Distribution of dividends	(148)	(152)
(61)	Share buy-back programme	(37)	-
131	Other changes in equity	11	74
<b>(85)</b>	<b>Cash flows from Equity</b>	<b>(173)</b>	<b>(79)</b>
<b>74</b>	<b>Change in scope of consolidation</b>	<b>-</b>	<b>-</b>
<b>24</b>	<b>Cash Flow Thermo</b>	<b>-</b>	<b>58</b>
<b>1,533</b>	<b>Opening net financial indebtedness of "Continuing operations"</b>	<b>1,445</b>	<b>1,533</b>
(88)	Net change	467	24
<b>1,445</b>	<b>Total net financial indebtedness before IFRS 16</b>	<b>1,912</b>	<b>1,556</b>
-	(+ Net financial position Thermo business)	-	(41)
<b>1,445</b>	<b>Net financial indebtedness before IFRS 16</b>	<b>1,912</b>	<b>1,516</b>
172	Lease liabilities	213	174
<b>1,617</b>	<b>Net financial indebtedness after IFRS 16</b>	<b>2,125</b>	<b>1,690</b>

(1) It is noted that on 17 October 2023, the closing was finalised for the sale of the entire share capital of ERG Power S.r.l.

**Cash flows from operations** for the first half of 2024 were positive at EUR 219 million, down from the corresponding period of 2023 (EUR 325 million) mainly due to the changes in working capital. It should be noted that comparative 2023 benefited from the positive effect due to the financial settlement of some derivative instruments.

The **Cash flows from investments** in the first half of 2024 refer to the impacts related to the acquisition in the United States of wind farms and photovoltaic systems (317 MW) and in France (73 MW), the repowering of Italian wind farms for approximately 177 MW of new wind capacity and the construction of Greenfield farms in Italy (47 MW), France (59 MW) and the UK (47 MW) and the start of the activities of the first Storage project (13 MW).

**Cash flows from financing activities** refer to the interest accrued during the period.

**Cash flows from tax management** refer to the payment of direct taxes<sup>21</sup>.

**Cash flows from Equity** refer to dividends distributed to shareholders (EUR 148 million), the impact of the share buy-back programme<sup>22</sup> (EUR 37 million), changes in the cash flow hedge reserve related to derivative financial instruments, and the foreign exchange translation reserve.

The change in **Lease liabilities** is mainly attributable to the change in the scope of consolidation for the acquisitions in the US and France, which took place in the first half of 2024.

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21 The amount includes the payment of the substitute tax on the redemption of capital gains relating to the Siena and Donatello business combinations, which took place in 2022

22 The share buy-back programme started in the fourth quarter of 2023 and ended in February 2024.

# ALTERNATIVE PERFORMANCE INDICATORS

## Definitions

On 3 December 2015, CONSOB issued Communication no. 92543/15, which transposes the Guidelines regarding the use and presentation of Alternative Performance Indicators in the context of regulated financial information, issued on 5 October 2015 by the European Securities and Markets Authority (ESMA). The Guidelines, which updated the CESR Recommendation on Alternative Performance Indicators (CESR/05 – 178b), aim to promote the usefulness and transparency of alternative performance indicators so as to improve their comparability, reliability and comprehensibility.

Some of the Alternative Performance Indicators (APIs) used in this document are different from the financial indicators expressly provided for by the IAS/IFRS adopted by the Group.

These alternative indicators are used by the Group in order to facilitate the communication of information on its business performance as well as its net financial indebtedness.

Finally, in order to facilitate an understanding of the business segments' performance, the performance figures are shown with the exclusion of significant special income components of an exceptional nature (special items): these results are indicated with the term "Adjusted figures".

Since the composition of these indicators is not regulated by the applicable accounting standards, the method used by the Group to determine these indicators may not be consistent with the method used by other operators and so these might not be fully comparable.

Definitions of the APIs used by the Group and a reconciliation with the items of the Condensed Interim Consolidated Financial Statements templates adopted are as follows:

- **Adjusted revenue** is revenue, as indicated in the financial statements, with the exclusion of significant special income components of an exceptional nature (special items);
- **EBITDA** is an indicator of operating performance calculated by adding "Amortisation, depreciation and impairment of non-current assets" to the Operating profit (EBIT). Gross operating profit (EBITDA) is explicitly indicated as a subtotal in the financial statements;
- **Adjusted EBITDA** is the gross operating margin, as defined above, with the exclusion of significant special income components (special items);
- **Adjusted EBIT** is the net operating profit, explicitly indicated as a subtotal in the financial statements, with the exclusion of significant special income statement components of an exceptional nature (special items);
- **EBITDA margin** is an indicator of the operating performance calculated by comparing the adjusted EBITDA to the Revenue from sales and services of each individual business segment;
- The **adjusted tax rate** is calculated by comparing the adjusted amounts of taxes and profit before taxes;

- **Profit (loss) from continuing operations** does not include the result from discontinued operations relating to the thermoelectric business reclassified under the item "Profit (loss) from discontinued operations";
- **Adjusted Profit (loss) from continuing operations** is the profit (loss) from continuing operations, with the exclusion of significant income statement components of an exceptional nature (special items), net of the related tax effects.
- **Adjusted profit (loss) attributable to owners of the parent** is the adjusted profit (loss) from continuing operations with the exclusion of the profit attributable to non-controlling interests.
- **Capital expenditure** is the sum of capital expenditure in property, plant and equipment and intangible assets, with the inclusion of Mergers & Acquisitions and not including Right of Use assets.
- **Net operating working capital** is the sum of Inventories, Trade receivables and Trade payables;
- **Net invested capital** is the sum of Non-current assets, Net operating working capital, Liabilities related to Post-employment benefits, Other assets and Other liabilities;
- **Net financial indebtedness** is an indicator of the financial structure and is determined in accordance with ESMA Guidelines 32-382-1138 (Guidelines on Prospectus disclosures) and CONSOB Warning Notice no. 5/2021, also including the portion of non-current assets relative to derivative financial instruments.

For greater clarity, net financial indebtedness is indicated in the dual measure "before IFRS 16", excluding the liabilities linked to the application of IFRS 16, and "after IFRS 16", including the aforementioned liabilities.

The comparative figures at 30 June 2023 refer to the scope of continuing operations, therefore excluding the indebtedness of the thermoelectric business, sold in October 2023;

- **Financial leverage** is calculated by comparing the net financial indebtedness before IFRS 16 to the net invested capital, not including Right of Use assets.
- **Special items** include significant special income components of an exceptional nature. These include:
  - income and expense connected to events whose occurrence is non-recurring, i.e. those transactions or events that do not frequently re-occur over the normal course of business;
  - income and expense related to events that are not typical of normal business activities, such as restructuring and environmental costs;
  - capital gains and losses linked to the disposal of assets;
  - significant impairment losses recognised on assets following impairment tests;
  - income and the associated reversals recognised in application of IFRS 9, in relation to the restructuring of loans in place.

**IFRS 16**

Starting from 2024, the Group, in line with industry practice, also includes the effects of IFRS 16 in its adjusted economic results. The comparative data were restated in line with the new approach.

For greater clarity, the net financial indebtedness is indicated in the dual measure "before IFRS 16", excluding the liabilities linked to the application of IFRS 16, and "after IFRS 16", indicating the aforementioned liabilities.

**Reconciliation with adjusted performance figures****GROSS OPERATING PROFIT (LOSS) (EBITDA)**

Year		Notes	1st half	
2023	(amounts in millions)		2024	2023
529	<b>Gross operating profit (loss) (EBITDA)</b>		274	269
<b>Special items exclusion:</b>				
4	- Reversal of ancillary charges on non-recurring operations (Special Projects)	1	6	1
1	- Reversal for allocation for provision for disposed businesses	2	0	1
534	<b>Adjusted EBITDA</b>		281	271

**AMORTISATION, DEPRECIATION AND IMPAIRMENT LOSSES**

Year		Notes	1st half	
2023	(amounts in millions)		2024	2023
(225)	<b>Amortisation, depreciation and impairment losses</b>		(128)	(113)
<b>Special items exclusion:</b>				
2	- Reversal of impairment losses recognised on Repowering Wind Italy	3	1	-
-	- Reversal of expenses related to disposed businesses	5	-	-
(223)	<b>Adjusted depreciation and amortisation</b>		(127)	(113)

**PROFIT (LOSS) ATTRIBUTABLE TO OWNERS OF THE PARENT**

Year		Notes	1st half	
2023	(amounts in millions)		2024	2023
214	<b>Profit (loss) from continuing operations attributable to owners of the parent</b>		128	115
<b>Special items exclusion:</b>				
3	Exclusion of ancillary charges on non-recurring transactions	1	4	1
(4)	Exclusion of expenses related to disposed Businesses	2	0	(5)
2	Exclusion of impairment losses recognised on Repowering Wind Italy	3	1	-
4	Exclusion of ancillary charges on loan prepayments	4	-	3
6	Exclusion of Tax Asset UK and substitute tax Wind&Solar Italy	5	(28)	-
1	Exclusion of impact of gains/losses (IFRS 9)	6	-	1
226	<b>Adjusted profit (loss) from continuing operations attributable to owners of the parent</b>		106	114

1. Ancillary charges relating to other non-recurring transactions, as well as unsuccessful acquisitions.
2. Provisions relating to exceptional items on businesses disposed of by the Group.
3. Charges related to Repowering and Revamping projects in Italy already impaired in the previous period.
4. Financial expense related to the early closure of project financing and Corporate loans as part of Liability Management transactions.
5. Reversal of the benefit of the substitute tax deriving from the exemption of the goodwill due to the merger in the Siena and Donatello Business combinations acquired in 2022.
6. IFRS 9 does not allow for the deferment of the positive economic effects of the renegotiation of lo-

ans on the residual life of the liability: this resulted in net financial expense of approximately EUR 1 million being accounted for in the first half of 2023. For the purposes of clearer disclosure of the cost of net financial indebtedness, it was considered appropriate to show in the adjusted Income Statement financial expense related to the debt service payment, deferring the recognition of benefits of the renegotiation over the remaining term of the liability and not recognising them all in one immediate entry at the time of the amendment. The adjustment commented herein relates primarily to the reversal of the aforementioned benefit net of the effects linked to the reversal of similar income relating to re-financing operations of previous years.

### Regulatory measures to curb energy price rises (clawback measures and windfall tax)

In the course of 2022, measures were introduced in Italy and abroad to contain the effects of price increases in the electricity sector, which have already been described in the Group Financial Statements at 31 December 2022 and whose effects also impacted the Group Financial Statements at 31 December 2023.

Due to the development of the price scenario over the reference period, no significant refunds are to be expected in the first half of 2024 from the application of these measures.

In the first half of 2023, this negative impact amounted to EUR 7 million on the EBITDA (EUR 6 million on the profit from continuing operations attributable to owners of the parent).

Below is the reconciliation between the Financial Statements and the Adjusted Financial Statements shown and commented upon in this document:

#### INCOME STATEMENT 1<sup>ST</sup> HALF 2024

(EUR million)	Financial Statements	Reversal of special items	Adjusted Income Statement
Revenue	386	-	386
Other income	19	-	19
<b>Total revenue</b>	<b>405</b>	<b>-</b>	<b>405</b>
Purchases and change in inventories	(6)	-	(6)
Services and other operating costs	(96)	6	(89)
Personnel expense	(28)	-	(28)
<b>Gross operating profit (loss) (EBITDA)</b>	<b>274</b>	<b>6</b>	<b>281</b>
Amortisation, depreciation and impairment of non-current assets	(128)	1	(127)
<b>Operating profit (loss) (EBIT)</b>	<b>146</b>	<b>7</b>	<b>154</b>
Net financial income (expense)	(9)	-	(9)
Net gains (losses) on equity investments	(0)	0	0
<b>Profit before taxes</b>	<b>137</b>	<b>7</b>	<b>144</b>
Income taxes	(7)	(30)	(38)
<b>Profit (loss) from continuing operations</b>	<b>129</b>	<b>(23)</b>	<b>107</b>
Non-controlling interests	(1)	-	(1)
<b>Profit (loss) from continuing operations attributable to owners of the parent</b>	<b>128</b>	<b>(23)</b>	<b>106</b>
Profit (loss) from discontinued operations	-	-	-
<b>Profit attributable to owners of the parent</b>	<b>128</b>	<b>(23)</b>	<b>106</b>

Starting from this year, the adjusted operating results include the accounting impacts of IFRS 16. The comparative results for 2023 are therefore restated in line with the new approach defined by the Group.

The reconciliation of the effects described above is provided below:

### INCOME STATEMENT 1<sup>ST</sup> HALF 2023

(milioni di Euro)	Values indicated in the consolidated financial statements	IFRS 16	Adjusted Income Statement
Revenue	370		370
Other income	12		12
<b>Total revenue</b>	<b>382</b>		<b>382</b>
Purchases and change in inventories	(6)		(6)
Services and other operating costs	(88)	7	(80)
Personnel expense	(25)		(25)
<b>Gross operating profit (loss) (EBITDA)</b>	<b>263</b>	<b>7</b>	<b>271</b>
Amortisation, depreciation and impairment of non-current assets	(109)	(4)	(113)
<b>Operating profit (loss) (EBIT)</b>	<b>155</b>	<b>3</b>	<b>158</b>
Net financial income (expense)	(5)	(4)	(8)
Net gains (losses) on equity investments	(0)		(0)
<b>Profit before taxes</b>	<b>150</b>	<b>(0)</b>	<b>149</b>
Income taxes	(34)		(34)
<b>Profit (loss) from continuing operations</b>	<b>116</b>	<b>(0)</b>	<b>115</b>
Non-controlling interests	(1)		(1)
<b>Profit (loss) from continuing operations attributable to owners of the parent</b>	<b>115</b>	<b>(0)</b>	<b>114</b>
Profit (loss) from discontinued operations	(8)		(8)
<b>Profit attributable to owners of the parent</b>	<b>107</b>	<b>(0)</b>	<b>107</b>

## SIGNIFICANT EVENTS AFTER THE REPORTING DATE

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Date	Geographical segment	Sector	Significant event
10 July 2024	Italy	Corporate	MSCI Inc., one of the world's leading ESG Rating Agencies, has confirmed its "AAA" rating for ERG and its positioning in the "Leader" category. ERG was ranked among the top 14 Utilities internationally among the 137 companies in the sector analysed by MSCI for ESG performance, and among over 2,800 companies globally.
24 July 2024	France	Wind	ERG completed the construction and started the energisation of the Saint-Maurice-La Clouere wind farm, for a total capacity of 9 MW.

## BUSINESS OUTLOOK

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The context in which the Group operates is characterised by extreme volatility and uncertainty. Prices for commodities and electricity appear to be lower in early 2024 than in 2023. In addition, there are demands for a medium-term review of the European electricity market, with more room for long-term energy contracts.

It should be noted that ERG, in line with the best practices in the sector and its consolidated risk policy, has in recent years made forward sales, mainly through long-term supply contracts at fixed prices (so-called PPAs) and forward contracts also through derivative financial instruments. These hedges, when carried out with a portfolio approach by the Group's Energy Management through ERG Power Generation S.p.A., are allocated from a management standpoint to the various project companies, which own the Production Units (PUs). The hedge allocation criterion follows a cascade mechanism which, with the idea of mitigating the associated risks, has the following order of priority:

- 1) electricity generated by PUs that do not have an incentive mechanism and are therefore fully exposed to the risk of market price volatility;
- 2) electricity generated by PUs that are subject to "Feed in Premium" tariffs, or mechanisms that provide for an incentive that is added to the market price;
- 3) any residual hedges are finally attributed to the quantities of electricity subject to for-difference incentive mechanisms, such as the former "green certificate" incentive tariffs (GRIN).

However, no hedges are envisaged for generation subject to two-way for-difference incentive mechanisms. The expected outlook for the main operating and performance indicators in 2024 compared to 2023 is as follows.

It should be noted that starting from 2024 the impact on EBITDA of the application of IFRS 16 is no longer separately reported as a special item.

### Italy

**Wind EBITDA is expected to increase** due to the GRIN incentive, which stands at 42 EUR/MWh in 2024 compared to zero in 2023, the full contribution from the two Repowering wind farms that became operational in 2023 and a Repowering wind farm that became operational in April 2024 for a total of 107 MW of new additional capacity (193 MW gross of the decommissioning of old plants), an internally built wind farm that became operational in early 2024 (47 MW) and a further repowering wind farm scheduled to become operational in the latter part of the year for a total of 50 MW (76 MW gross of the decommissioning of old plants). These results are partly offset by lower expected market prices and lower expected volumes compared to the high wind speeds recorded in 2023.

**Solar EBITDA is expected to increase** compared to 2023 mainly due to higher captured prices from forward hedging in 2023 and higher volumes from plant revamping and repowering activities.

**Wind & Solar Italy EBITDA for 2024 is expected** to increase compared to 2023.

### Abroad

**Wind EBITDA is expected to decrease** compared to 2023, mainly due to lower sales prices compared to those captured in 2023. This lower result is partly offset by the contribution from the acquisition in the US from April 2024 (224 MW) and the acquisition in France in January 2024 (24 MW), as well as the entry into operation in the second half of the year of two newly built wind farms in France (41 MW).

**Solar EBITDA is expected to be substantially in line** with 2023 mainly as a result of the contribution from the system acquired in the US from April 2024 (92 MW), from the two systems acquired in Spain and gradually entered into operation in the second half of 2023 (25 MW and 149 MW), and the contribution from the recent acquisition in France (49 MW). These effects will be largely offset by lower prices in Spain.

**Wind & Solar abroad EBITDA is therefore expected to decrease** compared to 2023.

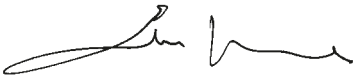
## 2024 Guidance

For the year 2024, at Group level, EBITDA is estimated in the range between EUR 520 million and EUR 580 million, up from the 2023 result (EUR 534 million, including the application of IFRS 16). Capital expenditure is in the range of EUR 550 million to EUR 600 million (EUR 489 million in 2023) and includes the recent acquisitions in the US and France, the construction of the farms scheduled to become operational between 2024 and 2025, and the completion of those that came on stream during 2023. Net financial indebtedness at the end of 2024 is expected to be in the range of EUR 1,750 million to EUR 1,850 million<sup>23</sup> (EUR 1,445 million at the end of 2023), including capital expenditure for the period, the distribution of the ordinary dividend of EUR 1 per share, the conclusion of the share buy-back transaction and the payment of the substitute tax for the redemption of goodwill from the latest acquisitions in Italy, which was not included in the previous guidance.

Genoa, 2 August 2024

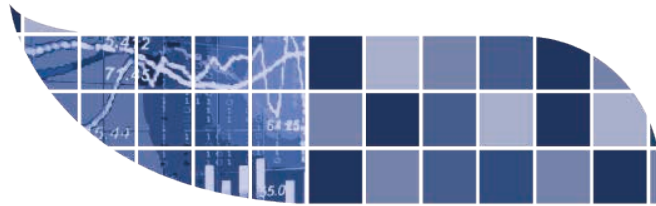
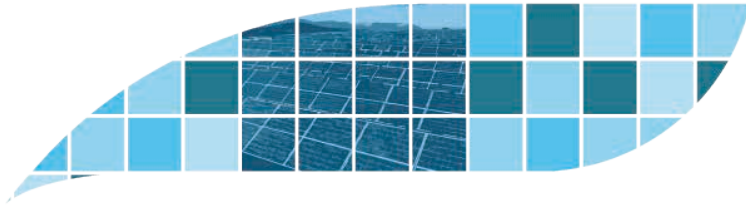
On behalf of the Board of Directors  
The Chairman

**Edoardo Garrone**



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<sup>23</sup> The net financial indebtedness shown is "before IFRS 16". Therefore it does not include the IFRS 16 liability, equal to EUR 172 million (actual year 2023) and EUR 210 million (guidance 2024), respectively.



# Condensed interim consolidated Financial statements

at 30 June 2024

**We ARE #SDGs**  
**CONTRIBUTORS**

**ERG**  
EVOLVING ENERGIES

## INCOME STATEMENT <sup>(1)</sup> <sup>(2)</sup>

(EUR thousand)	Notes	1st half 2024	1st half 2023
Revenue	1	386,127	369,807
Other income	2	18,572	12,242
Purchases	3	(6,443)	(5,718)
Services and other operating costs	4	(95,532)	(82,025)
Personnel expense	5	(28,432)	(25,455)
<b>GROSS OPERATING PROFIT</b>		<b>274,291</b>	<b>268,850</b>
Amortisation of Intangible assets	20	(37,482)	(33,085)
Depreciation of property, plant and equipment and right-of-use assets	20	(90,564)	(79,693)
<b>OPERATING PROFIT</b>		<b>146,246</b>	<b>156,072</b>
Financial income	36	43,732	118,589
Financial expense	36	(53,070)	(131,424)
<b>Net financial income (expense)</b>		<b>(9,338)</b>	<b>(12,835)</b>
Other net gains (losses) on equity investments	23	-	5,141
<b>Net gains (losses) on equity investments</b>		<b>-</b>	<b>5,141</b>
<b>PROFIT BEFORE TAXES</b>		<b>136,908</b>	<b>148,379</b>
Income taxes	40	(7,443)	(32,501)
<b>PROFIT FROM CONTINUING OPERATIONS</b>		<b>129,465</b>	<b>115,878</b>
Profit (loss) from discontinued operations		-	(36,260)
<b>PROFIT FOR THE PERIOD</b>		<b>129,465</b>	<b>79,619</b>
Non-controlling interests	29	1,103	1,071
<b>PROFIT ATTRIBUTABLE TO THE OWNERS OF THE PARENT</b>		<b>128,362</b>	<b>78,547</b>

(EUR)	1st half 2024	1st half 2023
Basic and diluted earnings per share <sup>(3)</sup>	0.885	0.775
Earnings per share from discontinued operations <sup>(3)</sup>	-	-0.242
Basic and diluted earnings per share att. to the owners of the parent <sup>(3)</sup>	0.878	0.525

(1) The notes commenting on individual items are an integral part of these Condensed Interim Consolidated Financial Statements.

(2) The 2023 comparative figures have been presented in accordance with IFRS 5 with reference to the completed sale of the Thermoelectric Business on 17 October 2023. For more details on the transaction, please refer to the 2023 Annual Financial Report.

(3) Calculated on the basis of the average number of shares outstanding for the period of 146,221,684 (149,537,920 in the comparative period). There were no differences between the basic and diluted earnings per share.

## STATEMENT OF COMPREHENSIVE INCOME <sup>(1)</sup>

(EUR thousand)	Note s	1st half 2024	1st half 2023
<b>Profit for the period</b>		129,465	79,619
<b>Changes that will be reclassified to profit or loss</b>			
Cash flow hedges – effective portion of the fair value change		24,005	110,941
Related tax		(6,937)	(32,034)
	<b>28</b>	<b>17,067</b>	<b>78,907</b>
Foreign operations – Exchange differences		6,713	16,244
Related tax		(1,774)	(3,083)
	<b>28</b>	<b>4,939</b>	<b>13,161</b>
<b>Other comprehensive income net of the tax effect</b>		<b>22,006</b>	<b>92,067</b>
<b>Comprehensive income for the period</b>		<b>151,471</b>	<b>171,687</b>
<b>Non-controlling interests</b>		<b>1,103</b>	<b>1,071</b>
<b>Comprehensive income attributable to the owners of the parent</b>		<b>150,369</b>	<b>170,615</b>

(1) The notes commenting on individual items are an integral part of these Condensed Interim Consolidated Financial Statements.

## STATEMENT OF FINANCIAL POSITION <sup>(1)</sup>

(EUR thousand)	Notes	30/06/2024	31/12/2023
<b>ASSETS</b>			
Authorisations and concessions	14	1,142,487	975,056
Other intangible assets	15	17,171	15,811
Goodwill	16	430,820	412,505
Property, plant and equipment	17	2,966,523	2,402,743
Right-of-use assets	18	203,948	165,923
Equity investments recognised according to the cost method	22	2,818	2,633
Financial assets measured at fair value	31	48,829	34,115
Other non-current financial assets	24	47,792	48,014
Deferred tax assets	42	106,497	41,397
Other non-current assets	10	54,505	45,244
<b>Non-current assets</b>		<b>5,021,391</b>	<b>4,143,440</b>
Inventories	7	22,134	20,019
Trade receivables	6	136,243	157,895
Other current assets	9	126,583	87,161
Current tax assets	41	32,381	34,721
Financial assets measured at fair value	31	23,773	46,796
Other current financial assets	32	88,653	241,696
Cash and cash equivalents	30	303,851	467,568
<b>Current assets</b>		<b>733,618</b>	<b>1,055,855</b>
<b>TOTAL ASSETS</b>		<b>5,755,008</b>	<b>5,199,295</b>
<b>EQUITY</b>			
Share capital	28	15,032	15,032
Other reserves	28	1,701,085	1,639,225
Retained earnings	28	258,198	300,108
Profit for the period/year	28	128,362	178,668
<b>Equity attributable to the owners of the parent</b>		<b>2,102,677</b>	<b>2,133,033</b>
<b>Non-controlling interests</b>	29	<b>84,665</b>	<b>6,664</b>
<b>TOTAL EQUITY</b>		<b>2,187,341</b>	<b>2,139,697</b>
<b>LIABILITIES</b>			
Employee benefits	13	3,397	3,543
Deferred tax liabilities	42	238,540	191,961
Provision for disposed businesses	25	84,346	84,581
Provisions for dismantling expenses	19	90,398	78,830
Other non-current provisions	26	38,211	36,601
Financial liabilities measured at fair value	35	122,540	5,830
Non-current financial liabilities	33	1,664,246	2,016,094
Non-current lease liabilities	34	205,834	165,687
Other non-current liabilities	11	195,781	44,634
<b>Non-current liabilities</b>		<b>2,643,293</b>	<b>2,627,761</b>
Other current provisions	26	29,962	36,935
Trade payables	8	108,200	122,038
Financial liabilities measured at fair value	35	3,487	5,908
Current financial liabilities	33	674,263	186,154
Current lease liabilities	34	6,856	6,353
Other current liabilities	12	41,981	34,233
Current tax liabilities	41	59,623	40,216
<b>Current liabilities</b>		<b>924,373</b>	<b>431,837</b>
<b>TOTAL LIABILITIES</b>		<b>3,567,667</b>	<b>3,059,598</b>
<b>TOTAL EQUITY AND LIABILITIES</b>		<b>5,755,008</b>	<b>5,199,295</b>

(1) The notes commenting on individual items are an integral part of these Condensed Interim Consolidated Financial Statements.

## STATEMENT OF CASH FLOWS <sup>(1) (2)</sup>

(EUR thousand)	Notes	1st half 2024	1st half 2023
<b>CASH FLOWS FROM OPERATING ACTIVITIES:</b>			
Profit for the period		129,465	79,619
- Amortisation, depreciation and impairment of non-current assets	20	128,071	112,778
- Increase in other provisions	19-25-26	1,044	5,720
- Decrease in other provisions	19-25-26	(10,219)	(10,572)
- Impairment of current assets	6	(343)	-
- Gains (losses) on equity investments	23	-	(5,141)
- Changes to post-employment benefits	13	(146)	(145)
Financial expense	36	9,338	12,835
Income taxes	40-41	7,443	32,501
Other changes in non-monetary items	28	34,416	167,626
		<b>299,488</b>	<b>395,220</b>
<b>- Change in other current assets and liabilities:</b>			
- Change in inventories	7	(1,972)	(1,053)
- Change in trade receivables	6	25,623	39,889
- Change in trade payables	8	(22,575)	(24,822)
- Net change in other assets/liabilities	9-10-11-12	(65,401)	848
- Change in fair value of hedging derivatives on commodities with monetary recognition	37-38	(33)	(1,503)
Tax payment	40-41	(53,406)	(8,279)
		<b>(117,764)</b>	<b>5,080</b>
<b>CASH FLOWS FROM CONTINUING OPERATIONS (A)</b>		<b>181,725</b>	<b>400,301</b>
<i>CASH FLOWS FROM DISCONTINUED OPERATIONS</i>		-	59,714
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		<b>181,725</b>	<b>460,014</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES:</b>			
Acquisition of intangible assets	14-15	(1,555)	(1,306)
Acquisition of property, plant and equipment	17	(122,908)	(129,169)
Net change in other increases/decreases in non-current assets	14-15-16-18	(12,155)	(292)
Net change in equity investment consolidation method	22	-	(383)
Collection from disposal of equity investments for price adjustment clauses	23	-	5,141
Disposals of equity investments and other non-current financial assets	24-31	261	822
Change in other current financial assets	31-32	152,598	60,360
Change in the Consolidation Scope due to business combination	43	(234,434)	(84,727)
<b>CASH FLOWS USED IN INVESTING ACTIVITIES OF CONTINUING OPERATIONS (B)</b>		<b>(218,193)</b>	<b>(149,554)</b>
<i>CASH FLOWS FROM (USED IN) INVESTING ACTIVITIES OF DISCONTINUED OPERATIONS</i>		-	(1,954)
<b>CASH FLOWS USED IN INVESTING ACTIVITIES</b>		<b>(218,193)</b>	<b>(151,508)</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES:</b>			
Increase in non-current loans	33	90,000	330,000
Decrease in non-current loans	33	-	(250,000)
Net change in current bank loans and borrowings	33	(16,983)	385
Changes in other current financial liabilities	33	(2,732)	(14,723)
Net interest paid	36	(5,951)	(2,358)
Early closure of loans	33	-	(102,832)
Dividends to shareholders	28-29	(147,670)	(152,427)
Share buy-back	28-29	(36,503)	-
Decrease in lease liabilities	34	(7,410)	(7,331)
<b>CASH FLOWS USED IN FINANCING ACTIVITIES OF CONTINUING OPERATIONS (C):</b>		<b>(127,249)</b>	<b>(199,286)</b>
<i>CASH FLOWS FROM (USED IN) DISCONTINUED FINANCING ACTIVITIES</i>		-	(57,758)
<b>CASH FLOWS USED IN FINANCING ACTIVITIES</b>		<b>(127,249)</b>	<b>(257,044)</b>
<b>NET CASH FLOWS FOR THE PERIOD (A+B+C)</b>		<b>(163,717)</b>	<b>51,461</b>
<b>CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE PERIOD</b>		<b>467,568</b>	<b>392,811</b>
<b>NET CASH FLOWS FOR THE PERIOD</b>		<b>(163,717)</b>	<b>51,461</b>
<b>CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD</b>		<b>303,851</b>	<b>444,271</b>

(1) The notes commenting on individual items are an integral part of these Condensed Interim Consolidated Financial Statements.

(2) The 2023 comparative figures are shown net of the cash flows generated by the "Discontinued operations". The cash flows generated by "Discontinued operations" are indicated separately for the cash flows deriving from Operating, Investing and Financing activities, respectively. The flows of "Continuing operations" are obtained by adding together the above items.

## STATEMENT OF CHANGES IN EQUITY <sup>(1)</sup>

	Notes	Share capital	Hedging reserve	Translation reserve	Treasury shares in portfolio	Other reserves	Profit for the period	Equity attributable to the owners of the parent	Non-controlling interests	Total equity
<i>(EUR thousand)</i>										
<b>BALANCE AT 31/12/2022</b>	<b>28</b>	15,032	54,749	(12,618)	(5,378)	1,609,244	378,939	2,039,970	9,332	2,049,302
Allocation of prior year profit		-	-	-	-	378,939	(378,939)	-	-	-
Share-based payments with equity-linked instruments		-	-	-	-	1,339	-	1,339	-	1,339
Distribution of dividends and reserves		-	-	-	-	(149,538)	-	(149,538)	(2,889)	(152,427)
Other changes		-	-	-	-	681	-	681	-	681
<i>Profit (loss) for the period</i>		-	-	-	-	-	78,547	78,547	1,071	79,619
<i>Other comprehensive income</i>		-	78,907	13,161	-	-	-	92,067	-	92,067
<b>Comprehensive income</b>		-	<b>78,907</b>	<b>13,161</b>	-	-	<b>78,547</b>	<b>170,615</b>	<b>1,071</b>	<b>171,686</b>
<b>BALANCE AT 30/06/2023</b>		15,032	133,656	543	(5,378)	1,846,043	78,547	2,068,444	7,514	2,075,958
<b>BALANCE AT 31/12/2023</b>	<b>28</b>	15,032	41,711	(8,136)	(66,740)	1,972,496	178,668	2,133,033	6,664	2,139,697
Allocation of prior year profit		-	-	-	-	178,668	(178,668)	-	-	-
Share-based payments with equity-linked instruments	<b>28</b>	-	-	-	-	2,184	-	2,184	-	2,184
Share buy-back	<b>28</b>	-	-	-	(36,503)	-	-	(36,503)	-	(36,503)
Assignments of treasury shares	<b>28</b>	-	-	-	16,114	(16,114)	-	-	-	-
Distribution of dividends	<b>28-29</b>	-	-	-	-	(146,483)	-	(146,483)	(1,402)	(147,885)
Acquisitions of companies from third parties	<b>29</b>	-	-	-	-	-	-	-	78,300	78,300
Other changes		-	-	-	-	77	-	77	-	77
<i>Profit for the period</i>	<b>28-29</b>	-	-	-	-	-	128,362	128,362	1,103	129,465
<i>Other comprehensive income</i>	<b>28</b>	-	17,067	4,939	-	-	-	22,006	-	22,006
<b>Comprehensive income</b>		-	<b>17,067</b>	<b>4,939</b>	-	-	<b>128,362</b>	<b>150,369</b>	<b>1,103</b>	<b>151,471</b>
<b>BALANCE AT 30/06/2024</b>	<b>28</b>	15,032	58,778	(3,197)	(87,129)	1,990,828	128,362	2,102,677	84,665	2,187,341

(1) The notes commenting on individual items are an integral part of these Condensed Interim Consolidated Financial Statements.

# NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS

## I. INTRODUCTION

ERG S.p.A. is the entity that prepares the financial statements and has its registered office in via De Marini 1 (WTC Tower), Genoa, Italy.

The Condensed Interim Consolidated Financial Statements for the six-month period ended 30 June 2024 comprise the interim financial statements of ERG S.p.A. and of its subsidiaries (together, "ERG" or "the ERG Group"). The ERG Group's core business is the generation of electricity from renewable sources, wind and solar, in Italy, France, Germany, Spain, the United Kingdom, Poland, Romania, Bulgaria, Sweden and the United States of America. The publication of these Condensed Interim Consolidated Financial Statements was authorised by the Board of Directors on 2 August 2024.

## BASIS OF PREPARATION

Unless indicated otherwise, these Condensed Interim Consolidated Financial Statements are expressed in thousands of Euro (functional currency of the parent ERG S.p.A. and its reporting currency), and were prepared:

- in compliance with the International Accounting Standards issued by the International Accounting Standards Board (IASB) and endorsed by the European Union as well as in compliance with the provisions issued in implementation of Article 9 of Italian Legislative Decree no. 38 of 28 February 2005, in particular in accordance with IAS 34 Interim Financial Reporting and should be read in conjunction with the 2023 Annual Report;
- on a going concern basis and therefore assuming that the Group will be able to meet the mandatory repayment conditions of the credit facilities granted by the banks and the bond issues as indicated in **Note 33 – Current and non-current financial liabilities**.

In accordance with IAS 34, the Condensed Interim Consolidated Financial Statements do not include all the disclosures required for the annual Consolidated Financial Statements for which, therefore, reference is made to the 2023 Annual Financial Report. However, specific notes to the financial statements are included to explain events and transactions that are relevant to understanding the changes in the Group's financial position and performance since the last Annual Financial Report.

For clearer disclosure, it was deemed preferable to show all amounts rounded off to the nearest EUR thousand; consequently, in some tables, totals may differ slightly from the sum of the amounts that comprise it.

These Condensed Interim Consolidated Financial Statements have been reviewed by KPMG S.p.A. in accordance with the methods indicated by CONSOB in Resolution no. 10867 dated 31 July 1997; the results of this review, carried out by KPMG S.p.A., will be published as soon as they are available.

These Condensed Interim Consolidated Financial Statements were prepared using the same accounting standards applied to the Consolidated Financial Statements for the year ended 31 December 2023. Changes in the application of the accounting standards, where relevant, are described in the following paragraphs.

## BASIS OF PRESENTATION OF THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS

These Condensed Interim Consolidated Financial Statements consist of:

- the **primary financial statements**, with the following characteristics:
  - the **Income Statement** includes an analysis of the items by nature, which is deemed more representative than presenting them by function. The format chosen is in fact consistent with internal reporting and management procedures;
  - the **Statement of Comprehensive Income** shows mainly the profit or loss items recognised through other comprehensive income;

- the **Statement of Financial Position** shows the assets and liabilities according to their maturity, separating current and non-current items. Current assets are those held to be realised, sold or consumed in the normal operating cycle of the Group or in the 12 months after period end; current liabilities are those expected to be extinguished within the normal operating cycle of the Group or in the 12 months after period end;
- the structure of the **Statement of Cash Flows** is based on the indirect method, with the indication of the cash flows from operating, investing and financing activities;
- the **Statement of Changes in Equity** is prepared in accordance with the provisions of IAS 1 and shows separately the flows relating to the components of the reserve for other components of comprehensive income;
- the **Notes to the Condensed Interim Consolidated Financial Statements**.

Furthermore, as required by CONSOB resolution no. 15519 dated 27 July 2006 in Note 44 – Non-recurring items, significant income and expense arising from non-recurring transactions or events that do not occur frequently in the ordinary course of business are presented separately in the income statement. Also pursuant to the aforementioned CONSOB resolution, the amounts related to the positions and transactions with related parties, which are, however, not considered significant for these Condensed Interim Consolidated Financial Statements, are indicated separately in **Note 45 – Related parties**.

## USE OF ESTIMATES – RISKS AND UNCERTAINTIES

### **Relevant information on the accounting standards adopted and recognition and measurement criteria**

Preparation of the financial statements and notes to the financial statements pursuant to IFRS requires ERG to make estimates and assumptions that affect the carrying amounts of the assets, liabilities, costs and revenue recognised in the Condensed Interim Consolidated Financial Statements and disclosures relating to contingent assets and liabilities. In the financial statements, accounting estimates refer to monetary amounts that are recognised but come with certain uncertainties in their measurement. Available information and subjective

evaluations were used to obtain these estimates.

By their very nature, the estimates and assumptions used may vary from year to year and, therefore, it cannot be excluded that, in subsequent years, the current carrying amounts may differ as a result of the change in the subjective assessments used.

With regard to the sale of the Thermoelectric business and the regulatory measures to limit energy price increases, please refer to the following paragraph.

Financial Statement Area	Description of the accounting estimates and assumptions
<b>Impairment testing of goodwill, authorisations and concessions, other intangible assets, property, plant and equipment and right-of-use assets</b>	<p>The main assumptions for determining the recoverable amounts concern, in particular:</p> <ul style="list-style-type: none"> <li>• the identification of expected energy and gas prices;</li> <li>• the assessment of the availability of renewable resources, changes to the regulatory framework;</li> <li>• the identification of macroeconomic variables such as inflation and discount rates, also linked to the current climate of geopolitical uncertainty;</li> <li>• the assessment of possible impacts of climate change.</li> </ul> <p>For further details, please refer to <b>Note 21 – Impairment testing</b>.</p>
<b>Definition of the useful life of authorisations and concessions, other intangible assets, property, plant and equipment and the related amortisation and depreciation</b>	<p>Authorisations and concessions are amortised on the basis of their residual duration. Other intangible assets are amortised over a maximum period of 5 years.</p> <p>The useful life of property, plant and equipment is reviewed annually and adjusted where the most recent estimate differs from the previous ones. Any changes in estimates relating to useful life are recognised prospectively. If an item of property, plant and equipment comprises various parts having different useful lives, these parts are recognised separately (significant components). See section <b>III. Investing Activities</b> for more details.</p>
<b>Recoverability of deferred tax assets</b>	<p>These are recognised on the basis of the Group's future taxable profits as forecast by business plans as well as the expected settlement and renewal of tax consolidation agreements (<b>Note 42 – Deferred taxes</b>).</p>

<p><b>Measurement of provisions and contingent liabilities related to civil, administrative and tax proceedings</b></p>	<p>The measurement processes are based on complex elements that by their nature imply reliance on the Directors' judgement, also taking into account the elements acquired by external consultants, and involve both determining the degree of likelihood of the occurrence of conditions that may entail a cash outlay and hence classification among liabilities or among contingent liabilities, and quantifying the related amount. See section <b>IV. Provisions and Contingent Liabilities</b>.</p> <p>In particular, with reference to the Provision for Disposed Businesses the most complex elements and uncertainties are connected with the process and with the measurement procedures related to the risks tied mainly to events dating back in time and pertaining to environmental, legal and tax matters tied to the divested "Oil" businesses of Coastal Refining and integrated Downstream, as well as the thermoelectric and hydroelectric businesses (<b>Note 25 – Provision for Disposed Businesses</b>).</p>
<p><b>Determination of loss allowances and impairment of other assets</b></p>	<p>Trade receivables and other receivables and assets deriving from contracts with customers are subject to impairment testing in accordance with the provisions of IFRS 9 on expected credit losses. Expected credit losses (ECL) are an estimate of losses weighted on the basis of the probability of default of the counterparty. See <b>Note 6 – Trade receivables</b>.</p>
<p><b>Fair value measurements</b></p>	<p>Some standards and disclosure obligations require the Group to measure the fair value of financial and non-financial assets and liabilities. The Group has its own structure of appraisers, responsible in general for all significant fair value measurements, including Level 3 measurements (if present). Non-observable input data and valuation adjustments are subjected to regular reappraisal. When information provided by third parties, such as broker quotes or pricing services, is used to determine fair value, the team of appraisers assesses and documents the evidence obtained from third parties to support the fact that such measurements comply with the provisions of EU-IFRS, including the level of fair value hierarchy in which the related measurement has to be classified. The significant aspects relating to the measurement are communicated to the Control and Risk Committee of the Group. See also Section <b>V. Financing activities</b>.</p>
<p><b>Business Combination</b></p>	<p>Fair value measurement of the consideration transferred (including the contingent consideration) and fair value of the assets acquired and liabilities assumed, measured on a provisional basis if the initial accounting for the business combination is still provisional at the Reporting Date.</p>
<p><b>Determination of the discount rate of financial liabilities and valuation of the renewal options for right-of-use assets</b></p>	<p>The borrowing rate used is the incremental borrowing rate, determined as the sum of the Group's credit spread and the forward curve based on Euro area swap rates. In relation to the renewal options, the Group estimated the term of the related lease agreements taking into account the reasonable certainty of the option period. See also <b>Note 18 – Right-of-use assets</b>.</p>

### Climate Change Risk

Climate change risk is the possibility that climate changes in the short, medium and long term may have impacts on ERG's business with operational and economic/financial consequences in terms of, among other things: decreased availability of renewable resources (wind and sun); limitations or impediments to operations, increased Operation & Maintenance costs, increased insurance costs, higher compliance costs, etc. Based on the latest report from the Intergovernmental Panel on Climate Change (IPCC) on climate change, it is confirmed that global temperatures are rising and there is a noticeable trend in variations of windiness, with an increase in extreme events. However, the assessment of climate change damages is characterised by high uncertainty due to: (i) the difficulty in accurately predicting the future effects of climate change, both in terms of magnitude and geographical distribution, and (ii) the difficulty in assessing the possible vulnerabilities and/or resilience of the sectors analysed.

The European Commission has proposed the "Repower EU" plan to accelerate the clean energy transition and diversify energy sources. The main measures include increasing renewable energy targets and simplifying authorisation procedures.

It should be noted that in compliance with the guidelines of the ESMA Public statement – European common enforcement priorities for 2023 annual financial reports (document ESMA32-193237008-1793 of 25 October 2023), Climate Change considerations are reflected in the medium-term (Market Plan) and long-term (impairment test) Business Plans and their impacts are deemed not relevant in any case.

For more details on the Group's approach to the types of risks generated by Climate Change, the strategy for managing these risks and internal studies on the impacts of climate change, please refer to the ERG's 2023 Annual Financial Report and Consolidated Non-Financial Statement prepared pursuant to Italian Legislative Decree 254/2016 (NFS 2023). In particular it should be noted that the Group's strategy is constantly updated to take into account the changes in scope (entry into new countries, including Spain and the United States of America; exit of the hydroelectric and thermoelectric businesses).

## BASIS OF CONSOLIDATION AND CHANGES IN CONSOLIDATION SCOPE

### Relevant information on the accounting standards adopted and recognition and measurement criteria

#### Consolidation criteria and methods

Subsidiaries are consolidated on a line-by-line basis if, and only if, the Group has control, i.e.:

- power over the investee;
- exposure, or rights, to variable returns deriving from the relationship with the investee;
- ability to exercise its power over the investee to affect the amount of its returns.

When assessing control, IFRS 10 requires judgement and continuous assessment. For details on when the equity interest does not imply de facto control, please refer to **Note 46 – List of Group companies and transactions of the period**.

The financial statements of subsidiaries are included in the Condensed Interim Consolidated Financial Statements from the time the parent starts exercising control until the date on which control ceases.

Associates over which the Group exercises significant influence and joint ventures (generally corresponding to an equity investment of between 20% and 50%) are accounted for using the equity method.

For the purposes of the disclosure of the nature, extent and financial effects of the Group's interests in subsidiaries, please refer to **Note 46 – List of Group companies and transactions of the period** and **Note 28 – Non-controlling interests**.

Translation of financial statements in currencies other than the Euro (i.e. foreign operations) and functional currency

The Group's functional currency is the Euro. The financial statements of subsidiaries expressed in currencies other than the Euro are converted according to the following methods:

- the assets and liabilities, including goodwill and adjustments to fair value deriving from the acquisition, are translated into Euro using the closing rates.
- the revenue and costs of foreign operations in the income statement and in the statement of comprehensive income are converted into Euro using the average exchange rate for the period.

Exchange differences are recognised in the Statement of comprehensive income and included in the translation reserve, with the exception of the exchange differences that are attributed to non-controlling interests.

The exchange rates used for the translation and the consolidation of financial statements in currencies other than the Euro are as follows:

exchange rate: foreign currency/EUR			
	Currency	Statement of Financial Position <sup>(1)</sup>	Income Statement <sup>(2)</sup>
USA	USD – US Dollar <sup>(3)</sup>	1.070	1.077
UK	GBP – British Pound	0.846	0.855
Polonia	PLN – Zloty	4.309	4.317
Romania	RON – Romanian Leu	4.977	4.974
Bulgaria	BGN – Bulgarian LEV	1.956	1.956
Svezia	SEK – Swedish Krona	11.360	11.390

(1) Exchange rate at 30 June 2024.

(2) Average exchange rate for the first half year of 2024 except for USA.

(3) For the Income Statement, average exchange rate from 1 April 2024 – date of first consolidation – to 30 June 2024.

#### Changes in relevant accounting standards: Global minimum top-up tax

The Organisation for Economic Co-operation and Development (OECD), in accordance with the Pillar 2, has introduced a global minimum tax that applies to multinational enterprise groups with annual revenue of EUR 750 million or more from the Condensed Interim Consolidated Financial Statements in at least two of the four financial years immediately preceding the relevant financial year. It should be noted that the Group exceeded this threshold.

It should be noted that, for global minimum tax purposes, if a jurisdiction, in which the multinational enterprise group operates, enacts or substantially enacts changes to its tax law, the entire group may be affected regardless of whether a similar tax law has been enacted or substantially enacted in the parent jurisdiction. Therefore, the parent must monitor the progress of the legislative procedure in each jurisdiction in which it operates to determine if and when it may be impacted by the global minimum tax.

The Group has adopted the document "International tax reform – Pillar 2 Model Rules (Amendments to IAS 12)" published on 23 May 2023, which introduced a requirement to provide new disclosures with respect to current tax expense (income) related to Pillar 2 income taxes and a temporary exception to the recognition and disclosure of deferred tax information with respect to the global minimum tax. These amendments entered into force immediately.

The exception provided for by IAS 12 applies retroactively. However, since at 31 December 2022, no jurisdiction in which the Group operates had enacted or substantially enacted new tax legislation to introduce the global minimum tax, retroactive application has no effect on the Group's Condensed Interim Consolidated Financial Statements. With regard to prospective application, please refer to Note 40 – Income taxes.

#### Introduction of relevant accounting policies: Accounting for Tax Equity agreements (USA)

As part of the Pinnacle business combination, as better described in Note 43 – Business Combinations, the Group has acquired control of companies for which Tax Equity Partnership (TEP) agreements are in place. These agreements, typical of the US Renewable Energy market, are a form of project incentive that uses a combination of cash flows generated by the Project and tax benefits. The structures of Tax Equity agreements can vary, but generally, in return for an investment made by the so-called Tax Equity Partner (Partner) upon the completion of plant construction, the investment return primarily comes through the allocation of tax credits (Investment Tax Credit, ITC, or Production Tax Credit, PTC). The Mulligan Solar, LLC solar project benefited from an ITC, already finalised by its nature before closing, while the Great Pathfinder Wind, LLC wind project benefits from PTC incentives, extended over time. With regard to PTCs, these agreements provide for the allocation of specific payments and tax benefits of the operating project to the Partner for a certain period of time on a disproportionate basis, i.e. unbalanced towards the Partner, who thus obtains a fixed return over a predefined target period. Once the Partner receives the total agreed benefit at the end of the target period ("flip date"), the allocation ratio to the partners in the partnership reverses, i.e. the Partner remains as a minority investor and is entitled to an insignificant portion of the distributions, unless the other partner (ERG), as is often the case, regains full ownership. ERG has an option, at the flip date, to purchase the residual right from the Partner at fair value.

With regard to the accounting treatment of such agreements, it should be noted that the TEP, although based on the issuance of a specific class of shares and thus in the apparent form of an equity instrument, in substance is configured, for the purposes of IAS 32.15-16, as a liability representing the right to use the tax elements, not strictly having the necessary characteristics for classification as an equity instrument (an instrument cannot be classified as an equity instrument if it includes contractual obligations to make cash distributions).

The TEP structure is mainly attributable to the elements summarised in the table below, which have an impact on the fair value of the related TEP Liability. Upon initial recognition and subsequent recognitions, the TEP Liability<sup>1</sup> shall therefore be equal to the net present value of the future tax benefits to be transferred to the TEP, discounted at the internal rate of return guaranteed to the Partner on the basis of the agreements and the total amount due to the Partner.

Elements impacting the fair value of the TEP Liability	Description
Production Tax Credits (PTCs)	The allocation of PTCs to the Partner is derived from the energy generated from time to time during the reporting period. PTCs are recognised under the item Other income, with a corresponding reduction in the TEP liability.
Tax losses, including tax attributes such as accelerated depreciation for tax purposes.	Under the terms of TEP agreements, the vehicle is required to allocate specific percentages of taxable losses to the Partner. As the amounts are allocated, the obligation to deliver them is fulfilled and a reduction in the TEP liability is recorded with a corresponding amount recorded under income taxes in the consolidated income statement.
Financial expense	Financial expense, calculated using the effective interest method, is recognised in the consolidated income statement in relation to the present value of the TEP liability. As a balancing entry, the TEP liability increases.
"Pay-go" contributions	TEP contracts provide for periodic generation thresholds above which "pay-go" monetary allocations are recognised by the Partner in favour of the vehicle only. These amounts paid increase the value of the TEP liability.
Other distributions	The contract also provides for further cash distributions to the Partner. At the time of payment, the TEP liability is reduced by the amount of the distributions.

## CHANGES IN SCOPE OF CONSOLIDATION DURING THE PERIOD

The changes in scope of consolidation in the half-year are summarised below, broken down by country and by business:

<b>France</b>	<b>Wind</b>	On <b>29 January 2024</b> , ERG, through its subsidiary ERG Eolienne France SAS, completed the agreement with QEnergy France SAS, a leading operator in the renewable energy sector in France, for the acquisition of 100% of CEPE Renouvellement Haut Cabardès SAS, a company that owns a 73.2-MW wind and solar portfolio in France. The portfolio of plants subject to the acquisition consists of two photovoltaic systems, which entered into operation between June and September 2022, for a total of 20.4 MWp of installed capacity, a 28.8-MWp photovoltaic system in an advanced phase of construction and a 24-MW wind farm that came into operation in the fourth quarter of 2023 following repowering. The value of the transaction in terms of enterprise value is approximately EUR 86 million, with an equity value of approximately EUR 17 million.
	<b>Solar</b>	
<b>United States</b>	<b>Wind</b>	On <b>24 April 2024</b> , ERG, through its subsidiary ERG USA Holding, Inc., finalised the closing with Apex Clean Energy Holdings LLC for the acquisition of 75% of a portfolio of a total installed capacity of 317 MW, comprising a wind farm (224.4 MW) and a solar system (92.4 MW) in the USA, both in operation with an estimated production of around 1 TWh. The consideration for the acquisition of the majority stake of 75% is equal to approximately USD 270 million <sup>2</sup> .
	<b>Solar</b>	

<sup>1</sup> recognised under the item Other non-current liabilities and included in the reclassified net financial indebtedness in accordance with CONSOB Warning Notice no. 5/21 of 29 April 2021.

<sup>2</sup> As per press release of 21 December 2023.

The following table summarises the impacts related to the consolidation on a line-by-line basis of the companies acquired in the period:

(EUR thousand)	Falcon <sup>(1)</sup>	Pinnacle <sup>(2)</sup>	TOTAL
Authorisations and concessions	21,816	181,578	203,393
Other intangible assets	-	812	812
Goodwill	6,009	12,635	18,644
Property, plant and equipment	80,961	425,782	506,744
Right-of-use assets	6,658	34,367	41,025
Other non-current financial assets	40	-	40
Deferred tax assets	8,430	28,068	36,498
<b>Non-current assets</b>	<b>123,913</b>	<b>683,242</b>	<b>807,155</b>
Inventories	143	-	143
Trade receivables	418	3,211	3,628
Other current assets	4,366	11,663	16,030
Cash and cash equivalents*	(2,782)	(218,482)	(221,265)
<b>Current assets</b>	<b>2,145</b>	<b>(203,608)</b>	<b>(201,464)</b>
<b>TOTAL ASSETS</b>	<b>126,057</b>	<b>479,633</b>	<b>605,690</b>
<b>Equity attributable to the owners of the parent</b>	-	-	-
<b>Non-controlling interests</b>	<b>1,687</b>	<b>77,470</b>	<b>79,157</b>
Deferred tax liabilities	5,512	71,533	77,046
Provision for dismantling expenses	3,270	6,153	9,422
Other non-current provisions	3,178	-	3,178
Financial liabilities measured at fair value*	20,205	99,879	120,084
Non-current financial liabilities*	65,270	-	65,270
Non-current lease liabilities*	6,449	34,026	40,475
Other non-current liabilities**	-	171,783	190,432
<b>Non-current liabilities</b>	<b>103,884</b>	<b>383,373</b>	<b>487,257</b>
Trade payables	6,855	1,882	8,737
Current financial liabilities*	13,169	16,431	29,601
Current lease liabilities*	209	477	686
Current tax liabilities	253	-	253
<b>Current liabilities</b>	<b>20,486</b>	<b>18,790</b>	<b>39,276</b>
<b>TOTAL EQUITY AND LIABILITIES</b>	<b>126,057</b>	<b>479,633</b>	<b>605,690</b>

(1) 5 French companies: one holding company, one wind and three solar SPVs.

(2) 13 US companies, including two operating special purpose vehicles: one wind and one solar.

The table above provides a breakdown of the assets acquired and the liabilities assumed inclusive of the impacts of the adoption of IFRS 16.

(\*) The impact on the Net Financial Indebtedness relates to the following items: cash and cash equivalents (which includes the consideration paid for the acquisition), financial assets measured at fair value, non-current financial liabilities, non-current lease liabilities and current financial liabilities.

(\*\*) The US Tax Equity Partnership liabilities of EUR 155 million impacts the Net Financial Position reclassified in accordance with CONSOB Warning Notice no. 5/21 of 29 April 2021.

For further details on business combinations, please refer to **Note 43 – Business Combinations** in Section **VII. Other Notes**.

## II. OPERATIONAL MANAGEMENT

This section discusses the items in the Condensed Interim Consolidated Financial Statements strictly related to the operating and current management of the Group's assets as well as the reporting by operating segment. In particular, it discusses the income statement items that make up the gross operating profit or loss and the statement of financial position items relating to the operating working capital as well as other assets and liabilities.

It should be noted that the comparative statement of financial position and income statement figures for the thermoelectric business, which was sold on 17 October 2023, have been reported in accordance with IFRS 5, for which reference should be made to the 2023 Condensed Interim Consolidated Financial Statements and the 2023 Annual Financial Report.

## REPORTING BY OPERATING SEGMENT

### **Relevant information on the accounting standards adopted and recognition and measurement criteria**

The operating performance figures are presented and commented on with reference to the various geographical segments in which the Group operates, in line with the internal performance measurement methods, and in line with the 2024-2026 Business Plan approved by the Board of Directors on 15 May 2024, aimed at reinvesting the resources deriving from divestments and the growth strategy in Wind and Solar through a policy of geographical and technological diversification.

The results also reflect the energy sales on markets by Group Energy Management, in addition to the application of effective hedges of the generation margin. The above mentioned hedges include, inter alia, the use of instruments by Energy Management to hedge the price risk. In order to give a clearer representation of business by geographic segment and, secondarily, by technology, the wind and solar results include the hedging carried out in respect of renewables.

The operating segments identified pursuant to IFRS 8 therefore coincide with the various geographical segments in which the Group operates: Italy, France, Germany, Eastern European countries, UK & Nordics (United Kingdom and Sweden), Spain and the United States of America.

This information structure corresponds to the reporting structure periodically analysed by the Management and the Board of Directors of the Parent for the purposes of monitoring and managing business performance. The tables below show information by geographical segment on the results indicated in the financial statements.

With reference to Italy, and the completed thermoelectric sector divestiture process, the relevant results for the 2023 comparative period have been reclassified as "Discontinued operations", and therefore the summary income statement and statement of financial position data of this divested operating segment have

not been reported in the segment reporting below.

It is noted that in the **Interim Directors' Report**, in order to facilitate an understanding of the operating segments' performance, the operating results are also shown with the exclusion of significant special income components of an exceptional nature (non-recurring items, reclassifications and other): these results are indicated with the term "adjusted".

For more information on the operating segment performance and the measurement and reconciliation of adjusted results and other alternative performance indicators, please refer to the **Interim Directors' Report** and to **Note 44 – Non-recurring items**.

### **Gross operating profit (loss) and Operating profit (loss)**

Gross operating profit (loss) and operating profit (loss) are determined by the operating activities of the Group that generate continuing revenue and by the other income and costs related to the operating activities. Gross operating profit (loss) does not include net financial income and expense, gains and losses on equity investments, income taxes, amortisation, depreciation, reversals of impairment losses and impairment losses on:

- Authorisations and concessions;
- Other intangible assets;
- Property, plant and equipment;
- Right-of-use assets.

Operating profit (loss) is equal to the gross operating profit (loss) less amortisation, depreciation, reversals and impairment losses recognised on authorisations and concessions, other intangible assets, property, plant and equipment and right-of-use assets.

Net invested capital is the sum of Non-current assets, Net operating working capital, post-employment benefits, Other assets and Other liabilities, as better defined in the **Interim Directors' Report**.

## Reporting by geographical segment

1st half 2024		of which						
(EUR million)	TOTAL	Italy	France	Germany	East Europe	UK & Nordics	Spain	USA
Revenue	386	222	53	30	34	30	10	7
Gross operating profit	274	165	30	20	26	16	6	12
Amortisation, depreciation and impairment losses	(128)	(65)	(23)	(10)	(9)	(9)	(6)	(7)
Operating profit	146	100	7	9	17	8	(0)	6
Net invested capital	4.313	1.936	718	231	243	531	314	341
Capital expenditure in non-current assets	123	79	34	1	-	10	-	-

1st half 2023		of which						
(EUR million)	TOTAL	Italy	France	Germany	East Europe	UK & Nordics	Spain	
Revenue	370	191	61	47	40	19	12	
Gross operating profit	269	139	42	37	30	11	10	
Amortisation and impairment losses	(113)	(63)	(21)	(11)	(9)	(6)	(2)	
Operating profit	156	76	20	26	21	6	7	
Net invested capital	3.674	1.731	587	272	285	499	299	
Capital expenditure in non-current assets	130	97	11	-	-	22	-	

## REVENUE AND OPERATING MARGINS

### NOTE 1 - REVENUE

#### Relevant information on the accounting standards adopted and recognition and measurement criteria

Revenue from contracts with customers is recognised in accordance with IFRS 15.

The main types of revenue of the Group that generate separate performance obligations, pursuant to IFRS 15, are:

1. Revenue from the sale of commodities;
  - Sales of electricity on the electricity exchange;
  - Sales of electricity through Power Purchase Agreements (PPAs), including short-term;
2. Revenue for incentivising tariffs (feed-in tariff, auctions, feed-in premiums, etc.) on electricity;
3. Revenue for green certificates (foreign companies) and guarantees of origin.

The Group stipulates commodity derivatives to manage the risk of volatility in the price of electricity. Revenue also includes income and expenses deriving from the reclassification of the hedging reserve relating to derivative instruments with the objective of hedging Power sales. For further details, please refer to **Note 38 – Disclosure on financial risks**.

As regards revenue for the **feed-in premium**, with a duration between 10 and 20 years, this may be invoiced to the customer together with the electricity transferred, or applied separately by the Regulators to the company (in Italy typically by the GSE). These agreements are considered to be distinct performance obligations from the supply of energy and, in the event that they are billed together with the price for energy sold to the customer, the revenue from the customer excludes the feed-in premium portion. The feed-in premium performance obligation is fulfilled at a point in time (when the specific conditions agreed with the Regulator are met/reached: production of electricity from renewable sources), since none of the criteria for fulfilment over time has been met. However, in view of the fact that the electricity is produced and sold at essentially the same time, the accounting of revenue for the feed-in premium corresponds to that of the revenue for the sale of electricity. With particular reference to revenue generated through feed-in tariffs regulated by auctions and using a two-way incentive mechanism, under certain predefined conditions, these incentives could be structured as derivative financial instruments. It should be noted that, at the date of this Document, there are no types of two-way incentive mechanisms falling within the definition of derivative financial instrument (IFRS 9).

As regards **revenue for certificates**, with a duration between 10 and 20 years, this derives from the fact that the Group has mainly renewable generation assets (wind and solar) for whose production the Regulators assign certificates to the Group.

Certificates are therefore instruments to encourage the demand (Certificates of Origin) and supply (Green Certificates) of renewable energy.

Green Certificates are essentially awarded for every MWh of electricity produced. A Guarantee of Origin (GO) is an electronic certificate attesting to the renewable origin of the sources used by IGO qualified plants, and for each MWh of renewable electricity fed into the network by IGO qualified plants, the GSE issues a "GO" certificate.

The Group considers the certificate to have been essentially assigned at the moment the renewable energy is produced, and revenue is recognised when the energy is produced.

The following information is also noted in relation to the disclosure requirements of IFRS 15:

- there are no contracts with significant financing components;
- there are no contracts with variable fees;
- as a practical measure, the entity recognised the incremental costs to obtain the contract as expenditure in the moment in which they were incurred, since the period of depreciation of the assets that the entity would otherwise recognise does not exceed one year.

It is noted that the Group, as leader in the generation of electricity from renewable sources and based on a strategic plan geared towards growth in installed capacity in Italy and abroad, regularly enters into medium/long-term supply contracts based on which the counterparty acquires, for a contractually predetermined period, the output of one or more identified farms. The Power Purchase Agreements (PPAs) are long-term and characterised by a defined price and aim to guarantee a revenue structure with a medium/low level of risk and to ensure a stable return on the investments made to realise the aforementioned growth plan. The transfer of the energy may be physical or there may be provision for the exchange on the delivery date of a differential based on the price defined in the contract for a variable price, without the physical transfer of the underlying electricity (financial or virtual PPA, VPPA). VPPAs are accounted for in accordance with IFRS 9 without the application of the own use exemption; see **Note 37 – Financial Instruments** for more information.

Below is a summary of the PPA agreements by country finalised by 30 June 2024:

COUNTRY	START DATE / DURATION	COUNTERPARTY	VOLUME	TYPE	PRICE	PLANTS / CAPACITY	ACCOUNTING
 ITALY	January 2022 / 10 years	TIM	≈340 GWh Baseload / Pay as produced	PHYSICAL	COLLAR	WIND ITALY Portfolio / 77 MW (*) 	IFRS 15
 ITALY	January 2023 / 9 years	TIM	≈200 GWh Baseload	PHYSICAL	COLLAR	WIND ITALY Portfolio / 23 MW (*) 	IFRS 15
 ITALY	January 2023 - April 2024 / 12 years	LUXOTTICA	≈70 GWh Baseload	PHYSICAL (from April 2024)	FIXED	Partinico / Monreale / 42 MW 	IFRS 15
 ITALY	January 2024 / 15 years	ST MICROE- LECTRONICS	≈250 GWh Baseload	PHYSICAL	FIXED	Camporeale / Mineo-Militello- Vizzini / 151 MW 	IFRS 15
 ITALY	June 2024 20 years	GOOGLE	≈100 GWh Pay as produced	FINANCIAL	FIXED	Roccapalumba 47 MW 	IFRS 9
 FRANCE	May - September 2021 / 5 years	ENGIE	≈45 GWh Pay as produced	PHYSICAL	FIXED	Bois Bigot / Bois de l'Arche / 21 MW 	IFRS 15
 FRANCE	October - December 2021 / 5 years	ENGIE	≈100 GWh Pay as produced	PHYSICAL	FIXED	Theta Portfolio / 55 MW 	IFRS 15
 FRANCE	January 2025 / 15 years	LES MOUSQUE- TAIRES	≈35 GWh Pay as produced	PHYSICAL	FIXED	Chaume Solar / 29 MWp 	IFRS 15
 UK	January 2022 / 6 years	ELECTROROUTE	≈240 GWh Pay as produced	PHYSICAL	FIXED	Evisagaran / Craggoire / 70 MW 	IFRS 15
 UK	January 2023 / January 2024 / 10 years	ENGIE UK	≈400 GWh Baseload	PHYSICAL	FIXED	Sandy Knowe / Creagh Riabhach 179 MW 	IFRS 15
 SPAIN	1° quarter 2024 / 12 years	GOOGLE	≈193 GWh Pay as produced	FINANCIAL	FIXED	Garnacha / 149 MWp 	IFRS 9
 USA	January 2023 / 12 years	BP	≈Avg. 133 GWh Fixed Shape	FINANCIAL	FIXED	Mulligan / 70 MW 	IFRS 9
 USA	April 2023 / 12 years	META	≈831 GWh Pay as Produced	FINANCIAL	FIXED	Great Pathfinder / 224 MW 	IFRS 9

(\*) PPA emendato nel 2023. Volume *baseload* integrato di 23 MW *baseload* pari a circa 200 GWh/anno.

**1ST HALF 2024**

(EUR thousand)	Italy	France	Germany	Spain	East Europe	UK & Nordics	USA	Total
<b>Revenue from sales</b>								
Energy to the market	110,818	10,022	19,883	6,906	30,225	9,078	844	187,775
Feed in Tariff, GO	67,194	37,472	8,778	-	-	431	-	113,875
Power Purchase Agreements	41,880	5,323	-	3,381	-	20,034	5,800	76,417
Renewable energy certificates abroad	-	-	-	-	4,060	-	-	4,060
<b>Total Revenue from sales</b>	<b>219,892</b>	<b>52,818</b>	<b>28,661</b>	<b>10,287</b>	<b>34,284</b>	<b>29,543</b>	<b>6,643</b>	<b>382,127</b>
<b>Revenue from the provision of services</b>								
Services and other	2,818	-	1,139	-	-	44	-	4,001
<b>Total Revenue from services</b>	<b>2,818</b>	<b>-</b>	<b>1,139</b>	<b>-</b>	<b>-</b>	<b>44</b>	<b>-</b>	<b>4,001</b>
<b>Total Revenue</b>	<b>222,710</b>	<b>52,818</b>	<b>29,800</b>	<b>10,287</b>	<b>34,284</b>	<b>29,586</b>	<b>6,643</b>	<b>386,127</b>
of which Wind	173,647	47,954	29,800	-	34,284	29,586	4,448	319,720
of which Solar	49,063	4,864	-	10,287	-	-	2,195	66,407

**1ST HALF 2023**

(EUR thousand)	Italy	France	Germany	East Europe	UK & Nordics	Spain	Total
<b>Revenue from sales</b>							
Energy to the market	127,282	34,001	16,467	33,196	1,790	12,111	224,847
Feed in Tariff, GO	41,140	20,831	30,409	-	-	-	92,380
Power Purchase Agreements	17,904	6,235	-	-	17,806	-	41,945
Renewable energy certificates abroad	-	-	-	7,320	-	-	7,320
<b>Total Revenue from sales</b>	<b>186,327</b>	<b>61,067</b>	<b>46,876</b>	<b>40,516</b>	<b>19,596</b>	<b>12,111</b>	<b>366,492</b>
<b>Revenue from the provision of services</b>							
Services and other	3,315	-	-	-	-	-	3,315
<b>Total Revenue from services</b>	<b>3,315</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>3,315</b>
<b>Total Revenue</b>	<b>189,641</b>	<b>61,067</b>	<b>46,876</b>	<b>40,516</b>	<b>19,596</b>	<b>12,111</b>	<b>369,807</b>
of which Wind	146,247	56,227	46,876	40,516	19,596	-	309,462
of which Solar	43,394	4,840	-	-	-	12,111	60,345

Revenue increased slightly compared to the first half of 2023 as a result of the full contribution from the acquisitions made in the second half of 2023 and in the first half of 2024, the entry into operation of the wind farms developed internally and the gradual start of operations in the second half of 2023 and early 2024, partly offset by lower market prices in all countries where the Group operates.

It should be noted that revenue in the first half of 2023 included the effects related to the regulatory measures to contain the increase in energy prices (clawback measure and windfall tax), with an impact of approximately EUR 7 million, while there is no significant impact in the first half of 2024 considering the market scenario.

For further details regarding the prices and quantities sold please see the comment in the [Interim Directors' Report](#).

The timeframe for the collection of receivables related to revenue depends on the type of revenue. Receivables for energy sold to the market have average realisation times of less than three months in all countries in which the Group operates, for contracts with end customers and for transport revenue the timeframe varies according to the counterparty. As regards the timeframe for the distribution of incentives in Italy for the generic "m" month the payment, following publication of the report highlighting the incentives due for the month "m+1", takes place by the end of the "m+2" month. Finally, for solar companies, it is specified that the GSE pays the incentive tariffs in constant monthly instalments equal to 90% of the estimated average annual producibility of each plant, in the calendar year of production, and makes the adjustment, in relation to actual production, by 30 June of the following year. Advance payments are made at the end of the second month following that of the accrual period.

## NOTE 2 - OTHER INCOME

Other income mainly includes, in addition to income related to PTC USA, insurance reimbursements, indemnities and expense recoveries, minor chargebacks to third parties, and operating grants.

(EUR thousand)	1st half 2024	1st half 2023	Change
Income related to US PTC	6,424	-	6,424
Release of excess cost allocations	5,757	6,355	(598)
Indemnities	2,840	3,354	(515)
Other income	2,511	2,211	300
Release of FV long-term contracts from business combinations	613	-	613
Reimbursement of expenses	428	321	107
<b>TOTAL</b>	<b>18,572</b>	<b>12,242</b>	<b>6,330</b>

This item mainly includes income from PTCs in the US partnership for EUR 6 million, releases of tax and provisions for risks and charges recognised at the time of the acquisition of certain companies for EUR 6 million, and contractual indemnities and guarantees received from suppliers for EUR 3 million.

## NOTE 3 - PURCHASES

The item, amounting to EUR 6,443 thousand (EUR 5,718 thousand in the first half of 2023), mainly includes the costs for the purchase of plant components (spare parts) with a useful life not exceeding one year and consumables mainly in relation to wind farms, as well as energy purchases. The item is shown net of the change in inventories of EUR 2,375 thousand (EUR 1,334 thousand in the first half of 2023).

## NOTE 4 - SERVICES AND OTHER OPERATING COSTS

(EUR thousand)	1st half 2024	1st half 2023	Change
Services	74,976	61,096	13,880
Rental, lease and hire expenses	9,929	8,784	1,146
Taxes and duties	7,745	7,434	311
Other operating costs	2,230	3,383	(1,153)
Accruals for risks and charges	450	1,329	(880)
Impairment of receivables	203	-	203
<b>Total</b>	<b>95,532</b>	<b>82,025</b>	<b>13,507</b>

**Rental, lease and hire expenses** refer mainly to royalties and fees for the use of company software, not falling within the scope of application of IFRS 16.

**Taxes and duties** mainly concern municipal and property taxes on Italian and foreign farms, non-deductible VAT for the financial assets of ERG S.p.A. and foreign subholdings, and other taxes and duties in Italy and abroad.

**Services** are broken down as follows:

(EUR thousand)	1st half 2024	1st half 2023	Change
Maintenance and repairs	27,544	22,013	5,531
General and Information Technology (IT) services	18,566	13,944	4,622
Consultancy	11,492	7,251	4,241
Utilities and consumption	5,009	5,624	(615)
Insurance	4,084	3,398	686
Commercial, distribution and grid connection costs	3,570	4,449	(880)
Directors' remuneration (Italy)	3,546	3,344	202
Services from network operator (Italy)	671	680	(9)
Advertising and promotions	287	191	96
Statutory Auditors' remuneration (Italy)	208	202	6
<b>Total</b>	<b>74,976</b>	<b>61,096</b>	<b>13,880</b>

- **Maintenance and repairs** mainly include ordinary maintenance costs for electricity generation plants; the increase is due to the business combinations (acquisitions) carried out during the period, as well as the contribution of the wind farms that came into operation in the United Kingdom.
- **General and Information Technology (IT) services** relate to IT services, bank expenses, overheads, security and cleaning services and ancillary personnel and HSE (Health, Safety and Environment) costs.
- **Consultancy** includes mainly expenses for legal, technical and professional consultancy as well as expenses incurred for non-recurring transactions.
- **Directors' remuneration (Italy)** includes remuneration, expenses and the portion of the cost pertaining to the 2024-2026 Long-Term Incentive Plan of ERG S.p.A. and ERG Power Generation S.p.A. In accordance with IFRS 2 – Share-Based Payment transactions, following the implementation of the aforementioned Incentive Plan with reference to the Directors, the portion of the cost accrued was recognised under services. For further details, please refer to **Note 5 – Personnel expense**.

## NOTE 5 - PERSONNEL EXPENSE

(EUR thousand)	1st half 2024	1st half 2023	Change
Wages and salaries	21,756	19,109	2,647
Social security expenses	5,604	4,645	959
Other personnel costs	637	746	(108)
Post-employment benefits	434	955	(521)
<b>Total</b>	<b>28,432</b>	<b>25,455</b>	<b>2,977</b>

At 30 June 2024, the total number of employees was 648 (612 at 30 June 2023).

- The cost for post-employment benefits pertains mainly to the portion of benefits relating to defined contribution plans. The cost also includes the contributions paid to defined contribution plans in favour of key managers, for the details of which please see **Note 45 – Related Parties**.

### Share-based payment transactions

It should be noted that, in accordance with the provisions of **IFRS 2 – Share-based payment transaction**, following the implementation of the 2024-2026 Long-Term Incentive Plan with reference to employees, the cost accrued in the first half of 2024 was recognised in the item "Personnel expense" on the basis of the fair value determined at the date of inception of these instruments (as an "equity-settled" plan in accordance with IFRS 2).

On 23 April 2024, the Shareholders' Meeting of ERG S.p.A. approved the 2024-2026 Long-Term Incentive Plan, according to

the conditions provided for in the relevant Information Document.

The Plan calls for the assignment of a predefined number of ERG S.p.A. Shares, free of charge (hereafter, "Performance shares"), at the end of a three-year vesting period, subject to the attainment of a minimum predetermined economic performance (non-market condition). The performance parameter approved by the Board of Directors refers to the cumulative 2024-2026 Group EBITDA of the Business Plan. According to the Regulation, this operating condition may be changed in li-

ght of changes in the consolidation scope or other significant events.

At the end of the vesting period, 30% of the Shares allocated will be subject to an additional lock-up period of twelve months, which will conclude in 2028, during which said shares are subject to the non-transferability constraint.

The shares assigned represent the conditional rights that are the subject of the Plan, free of charge and non-transferable in-ter vivos, each of which gives the Beneficiaries the right to be assigned free of charge 1 (one) share according to the terms and conditions contained in the Regulations.

The Plan provides that the Shares assigned will only vest – thus becoming Shares Allocated – subject to the occurrence of the Minimum Economic Performance Condition as ascertained by the Board of Directors upon approval of the Company's financial statements at 31 December 2026.

Upon achievement of the Minimum Economic Performance Condition, the number of Shares that can be allocated will depend on the results achieved with respect to the objectives: 60% ERG Share, 20% Growth and 20% Sustainability. The incentive strategy for each objective can be summarised as follows: ERG share objective: the shares that can be allocated may vary by interpolation from a minimum of 60% up to a maximum of 220% of the shares assigned based on the final price, i.e. the ERG share price calculated as the average of the official stock exchange price in the period between 16 November 2026 and 15 February 2027.

Sustainability Objective: the shares that can be allocated may vary from a minimum of 0% up to a maximum of 40% of the shares assigned according to the following scheme: 0% (sub-threshold performance), 10% (threshold performance), 20% (target performance), 40% (performance cap). For intermediate scenarios between the performance threshold and the target performance, and between the target performance and the performance cap, the number of Shares that can be allocated is determined on the basis of linear Interpolation.

Growth Objective: the shares that can be allocated may vary from a minimum of 0% up to a maximum of 40% of the shares

assigned according to the following scheme: 0% (sub-threshold performance), 10% (threshold performance), 20% (target performance), 40% (performance cap). For intermediate scenarios between the performance threshold and the target performance, and between the target performance and the performance cap, the number of Shares that can be allocated is determined on the basis of linear Interpolation.

Within the framework of the information document approved by the shareholders' meeting, the Board of Directors in its meeting of 15 May 2024 defined the regulations of the Plan and determined the objectives of the Plan in the different performance scenarios.

The estimate of the fair value, which is independent of the non-market activation conditions (achievement of the Target EBITDA, Growth Objective and Sustainability Objective) as defined by IFRS 2, was carried out by applying the Monte Carlo method, thus identifying a range of values and taking their average value into consideration.

The assessment exercise was carried out formulating the following assumptions:

- Volatility (21%): median of historical volatility at 180 days of the panel of ERG share comparables;
- Dividend Yield: estimated on the basis of the dividends forecast in the plan for the three-year time period 2024-2026, i.e. EUR 1 per share, as a percentage of share price;
- Distribution of growth and sustainability targets were appropriately modelled by a lognormal distribution;
- Time to maturity: in accordance with the provisions of the regulation of the financial instrument, the derivative was assumed to have a duration of three years.

In application of the above, the overall fair value of the incentive plan was identified as approximately EUR 13.1 million, a value deemed appropriate also in light of the sensitivities performed on the main inputs of the measurement model. This amount refers for 42% to the Directors and for the remainder to Group employees. The fair value of the Plan is recognised on an accruals basis in the first half of 2024.

## WORKING CAPITAL AND OTHER ASSETS AND LIABILITIES

(EUR thousand)	Notes	30/06/2024	31/12/2023	Change
Trade receivables	6	136,243	157,895	(21,652)
Inventories	7	22,134	20,019	2,115
Trade payables	8	(108,200)	(122,038)	13,838
<b>Operating working capital</b>		<b>50,177</b>	<b>55,876</b>	<b>(5,699)</b>
Other current assets	9	126,583	87,161	39,423
Other non-current assets	10	54,505	45,244	9,262
Other non-current liabilities	11	(195,781)	(44,634)	(151,147)
Other current liabilities	12	(41,981)	(34,233)	(7,748)
Assets for fair value derivatives hedging commodities	31	39,220	32,934	6,286
Liabilities for fair value derivatives hedging commodities	35	(126,027)	(9,390)	(116,637)
Employee benefits	13	(3,397)	(3,543)	146
<b>Other assets (liabilities)</b>		<b>(146,877)</b>	<b>73,539</b>	<b>(220,416)</b>

## NOTE 6 - TRADE RECEIVABLES

(EUR thousand)	30/06/2024	31/12/2023	Variazione
Receivables from customers	93,368	119,371	(26,003)
Receivables for incentives	48,072	43,861	4,211
Loss allowance	(5,197)	(5,338)	140
<b>Total</b>	<b>136,243</b>	<b>157,895</b>	<b>(21,652)</b>

The item includes mainly receivables for the supply of electricity to third parties (including incentives, feed-in tariff, green certificates and Feed-in Premium). The change in Receivables from customers is mainly explained by lower sales prices.

## NOTE 7 - INVENTORIES

**Inventories**, amounting to EUR 22,134 thousand (EUR 20,019 thousand at 31 December 2023), mainly include spare parts for wind farms and photovoltaic systems in Italy, France and Germany.

## NOTE 8 - TRADE PAYABLES

**Trade payables**, amounting to EUR 108 million (EUR 122 million at 31 December 2023), mainly include payables for maintenance and other services from third parties for plants in operation (approximately EUR 62 million), for capital expenditure related to parks under construction (approximately EUR 23 million) and for purchases of electricity for Energy Management activities (EUR 15 million). The change mainly concerns purchases related to parks under construction due to the slightly lower investments in the period, as well as the timing of payments.

## NOTA 9 - ALTRI CREDITI E ATTIVITÀ CORRENTI

(EUR thousand)	30/06/2024	31/12/2023	Change
Tax assets	70,185	48,877	21,308
Portions of deferred charges	34,556	21,241	13,315
Other assets	21,842	17,043	4,799
<b>Total</b>	<b>126,583</b>	<b>87,161</b>	<b>39,423</b>

**Tax assets** relate to tax-related assets such as VAT and other taxes. The item does not include receivables relating to direct taxes, for which reference is made to **Note 41 – Current tax assets and liabilities**. The increase in this item mainly refers to the seasonality of the timing of the collection of the VAT credit accrued up to 30 June 2024.

The **Portions of deferred charges** refer mainly to lease payments to municipalities, surface rights and insurance premiums for approximately EUR 15 million and to deferred charges relating to development projects for approximately EUR 17 million. The increase was mainly due to suspended insurance premiums and rents of newly acquired companies in the United States and other suspended expenses in the UK.

## NOTE 10 - OTHER NON-CURRENT ASSETS

**Other non-current assets**, equal to EUR 55 million (EUR 45 million at 31 December 2023) relate mainly to:

- the portion still to be collected (EUR 16 million) of the grants per Italian Law no. 488/92 relating to wind farms acquired with the ERG Wind transaction. With respect to the aforesaid receivables, a liability of an equal amount has been allocated and it was recognised in the 2013 Consolidated Financial Statements as part of the purchase price

allocation as a potential adjustment to the acquisition price of the ERG Wind Group (Note 12 – Other non-current liabilities);

- amounts of EUR 24 million due as compensation for the liability tied to interest and revaluations on the grants under Italian Law no. 488/1992 relating to wind farms acquired with the ERG Wind transaction and revoked by the Italian Ministry of Economic Development as discussed more thoroughly in Note 24 – Other non-current financial assets;
- the receivable of EUR 4.5 million relating to the amount paid in 2018 by ERG S.p.A. to the Tax Authorities by way of provisional collection during the legal proceedings in relation to the dispute concerning the notice of adjustment and settlement of registration tax on the sale of the ISAB Energy S.r.l. business unit. For more details, see the section below.

#### **Notice of adjustment and settlement of registration tax for the sale of the ISAB Energy S.r.l. business unit**

With regard to the sale of the business unit consisting mainly of the "IGCC" thermoelectric power plant which took place pursuant to the deed dated 30 June 2014 by ISAB Energy S.r.l. to ISAB S.r.l., on 6 July 2016, the provincial division of the Italian Revenue Agency at Syracuse – Noto office (hereinafter the "Agency") served to ERG S.p.A. as the merging entity on December 2015 of the seller ISAB Energy S.r.l., sent a notice amending the amounts declared for settlement of the registration tax. This same notice was served on 28 June 2016 to ISAB S.r.l. in its capacity as the jointly and severally liable seller. Essentially, the Agency demanded the rectification of the amount declared by the parties in terms of the registration tax in relation to each of the components of the business unit that was sold and proceeded to redetermine the value of (just) the real estate component consisting of the IGCC plant, measured at approximately EUR 7 million (net of accompanying liabilities of approximately EUR 7 million), and the carrying amount thereof at 30 June 2014 at approximately EUR 432 million, without assessing whether the future results of the business unit that was sold would justify the aforementioned value. The Agency therefore assessed the overall market value of the business unit that was sold at approximately EUR 442 million, instead of the consideration of approximately EUR 25 million declared by the parties, a consideration that is nevertheless higher than the overall market value for the business unit of approximately EUR 13 million, pursuant to a sworn appraisal report by a third party appraiser appointed by ISAB Energy. Based on these assumptions, the Agency assessed a higher registration tax of approximately EUR 37 million, imposing a fine equal to the higher registration tax that was assessed plus interest. It should be noted that the value of the dispute, taking into account interest accrued and accruing at 30 June 2024 is approximately EUR 86 million. As already mentioned, it should be noted that the Agency merely expressed a different estimate of "only" the property, plant and equipment component (IGCC plant) of the business unit, and not the business unit overall, in manifest violation of the regulations contained in the Consolidated Registration Tax Law. In particular, based on the adjustment, the Agency identified only the carrying amount of the IGCC plant, completely disregarding its profitability (whether positive or negative) as part of the business unit in which the plant is expected to be used. Therefore, the Agency disregarded the assumption and appraisal criteria that led the appraiser to determine the purchase price at approximately EUR 13 million, and particularly the lack of cash flows following the termination of the CIP 6 Agreement, and did not consider at all the ascertained negative future profitability of the sold business unit, or the relative badwill (as fully described in the sworn appraisal report, which is already in the hands of the Agency). As the company believes that it is able to formulate valid arguments in its defence, with the assistance of its own tax consultants, it has submitted an appeal to the competent Provincial Tax Commission and applications for both administrative and judicial suspension of

the provisional tax demanded in the course of the proceedings (the amount of the provisional tax is equal to approximately EUR 13 million). On 10 August 2016, the Syracuse Provincial Tax Commission ordered the judicial suspension of the provisional tax demanded. The relevant hearing was held on 15 November 2016 before the Syracuse Provincial Tax Commission. On 16 May 2017, the Syracuse Provincial Tax Commission annulled the contested act, but re-determined the value of the divested business for the purposes of registration tax to be approximately EUR 71 million (compared to the approximately EUR 25 million declared for the purposes of registration tax). The legal firm following the litigation confirmed the invalidity of the alleged tax as reformulated by the Syracuse Provincial Tax Commission and the subsequent existence of reasonable expectations of its complete rebuttal at the higher court levels. On 17 July 2017, ERG S.p.A. appealed to the competent Regional Tax Commission, requesting the suspension of the effects of the first instance ruling. On 9 September 2017, the Regional Tax Commission rejected the application for suspension referred to above. On 13 October 2017, the Provincial Division of the Italian Revenue Agency at Syracuse issued a specific payment order for higher registration tax of EUR 5.1 million, fines of EUR 5.1 million and interest at 10 October 2017 of EUR 0.6 million. An appeal was filed against the aforementioned payment order and, at the same time, an application was made for judicial suspension of the tax collection. On 23 November 2017, the Syracuse Provincial Tax Commission ordered the judicial suspension of the tax collection and fixed the relevant hearing for 15 January 2018. The merit hearing was held on that date, and on 24 January 2018 the Syracuse Regional Tax Commission (sub-office) ordered the appointment of Sebastiano Truglio from Catania as the court-appointed expert. On 7 March 2018, the Syracuse Provincial Tax Commission repaid approximately EUR 2 million of tax due with fines and interest totalling approximately EUR 4.5 million. Following the decision, a new order was issued by the Italian Revenue Agency. On 11 May 2018, the Company appealed against this decision and applied for judicial suspension of the tax collection. The President of the Syracuse Regional Tax Commission set the date for the hearing for the judicial suspension of the tax collection for 17 July 2018; given that the deadline for the payment of the requested amounts with the aforementioned payment order was 15 June 2018 (therefore prior to the hearing for the judicial suspension of the tax collection), ERG S.p.A. was forced to pay approximately EUR 4.5 million (provisional tax demanded in the course of the proceedings). This amount would have had to be repaid by the Italian Revenue Agency in the event of it losing the first level proceeding and it was recorded among the receivables claimed by the company from the Tax Authority. On 6 May 2019, the court-appointed expert Sebastiano Truglio from Catania transmitted to the parties the draft appraisal report, which presents a negative value of the business sold, hence a lower value than that declared by the Company. On 12 June 2019, the

court-appointed expert filed his appraisal report with the Syracuse Regional Tax Commission and duly addressed the observations presented by the Italian Revenue Agency. The appeal before the Syracuse Regional Tax Commission took place on 10 February 2020. On 29 July 2020, the ruling of the Syracuse Provincial Tax Commission was filed, which – disregarding the findings of the appraisal carried out by the court-appointed expert – upheld the appeals filed by the Provincial Division of the Italian Revenue Agency at Syracuse against the first instance ruling of the Provincial Tax Commission of Syracuse and determined the value of the company at:

- asset value of EUR 367 million (value determined by the court-appointed expert)
- +
- value of commercial goodwill to be determined on the basis of the profitability percentage (the ratio between business income and revenue) applied to the average revenue of the three-year period preceding the transfer of the business, multiplied by two (pursuant to the repealed Article 2, paragraph four, Italian Presidential Decree No. 460/96).

The ruling is not easy to interpret. In any case, it is believed that the Italian Revenue Agency could demand payment of an amount in the range of approximately EUR 70-90 million (plus interests). The amount of EUR 70 million would correspond to the approximately EUR 75 million originally ascertained by the Italian Revenue Agency, net of the EUR 4.5 million already paid. The amount of EUR 90 million would, on the other hand, represent the case in which the Italian Revenue Agency – albeit unlawfully – were to quantify the goodwill at approximately EUR 165 million and, consequently, the registration tax at approximately EUR 48 million in addition to penalties of approximately EUR 48 million, which, net of the EUR 4.5 million already paid, would bring the estimate to approximately EUR 90 million (plus interests). Specifically, the registration tax of EUR 48 million is calculated by applying the average registration tax rate of 9% to the sum of the company's asset value of EUR 367 million and the value of goodwill determined to be approximately EUR 165 million. Following the analysis carried out jointly with the tax consultants in charge of the defence, since there were clear profiles of illegality, an appeal was lodged with the Court of Cassation on 7 October 2020 against the ruling of the Syracuse Regional Tax Commission. Specifically, the following arguments were raised:

- the ruling does not express an unequivocal conclusion, being a partial ruling and as such not admissible in tax proceedings. In fact, the Syracuse Regional Tax Commission does not indicate the value of the company, including goodwill, and does not clarify the elements of the calculation (e.g. taking into account

or not the CIP6 component of revenue). Therefore, the ruling is limited to setting out some non-exhaustive criteria, unlawfully leaving the actual application of the same criteria to the Italian Revenue Agency for the purpose of determining the value of the company;

- the repealed Article 2, paragraph 4, of Italian Presidential Decree No. 460 of 1996 may be used as a parametric-presumptive index to determine goodwill on the assumption that it is positive, but cannot apply where the negative size of goodwill is proven (badwill);
- the Syracuse Provincial Tax Commission committed a so-called "error in proceeding", in that it based its decision on a question of fact raised ex officio – i.e. the need to determine the goodwill expressed by the company on the basis of the criteria established by Article 2, paragraph 4, of Italian Presidential Decree No 460/1996 – without allowing the parties to comment on it, in breach of Article 101(2) of the Italian Code of Civil Procedure and the constitutional principles on the right of defence and the right to due process;
- the Syracuse Regional Tax Commission disregarded the estimate of the fair value of the transferred company made by the court-appointed expert (the court-appointed expert had attributed a negative value to the company), while stating that it agreed with the essential assumption on which this estimate was based, i.e. the ascertainment of the company's prospective underperformance. In the same vein, this argument is also aimed at challenging the failure to discharge the burden on the Syracuse Regional Tax Commission to explain the reasons that led it to disregard the conclusions reached by the court-appointed expert for the purpose of determining the "common market value" of the company;
- the ruling perhaps implies that the company's value may be higher than that ascertained by the Italian Revenue Agency at approximately EUR 442 million: in this case, the ruling is unlawful because the Syracuse Regional Tax Commission cannot determine a higher value than that contested by the Italian Revenue Agency.

Given the above arguments, the qualification of "remote risk" was and still is confirmed. On 14 December 2020, the Regional Tax Commission ordered the suspension of collection subject to the deposit within 60 days of a surety policy in favour of the Italian Revenue Agency for an amount of EUR 73 million. The policy was filed with the Italian Revenue Agency on 9 February 2021. The Court of Cassation, with a specific order, set the public hearing for 26 September 2024. Consistent with qualifying the risk as remote, the Directors confirm the recognition (and the relative value) of the company's tax asset (approximately EUR 4.5 million paid to the tax authorities for provisional tax demanded in the course of the proceedings) and have not allocated any provision for risks.

## NOTE 11 - OTHER NON-CURRENT LIABILITIES

(EUR thousand)	30/06/2024	31/12/2023	Change
US Tax Equity Partnership Liabilities	155,205	-	155,205
Liabilities for prior year taxes from merger of foreign companies	18,594	18,594	-
Portions of income deferred to subsequent years	10,503	14,499	(3,996)
Price of Wind Group acquisition	9,821	9,821	-
Other minor items	1,658	1,720	(62)
<b>Total</b>	<b>195,781</b>	<b>44,634</b>	<b>151,147</b>

The **US Tax Equity Partnership liabilities** refer to payables arising as part of the Tax Equity agreement structures of the Pinnacle business combination. In particular, the item includes EUR 153 million for the payable to the Tax Equity Partner of the Great Pathfinder Wind, LLC wind project. The residual portion, equal to approximately EUR 2 million, refers to the payable to the counterparty of the ITC incentive structure of the Mulligan Solar, LLC solar project.

## NOTE 12 - OTHER CURRENT LIABILITIES

(EUR thousand)	30/06/2024	31/12/2023	Change
Other current liabilities	19,508	18,385	1,122
Tax liabilities	10,631	3,222	7,410
Employees	4,626	6,235	(1,609)
Portions of income deferred to subsequent periods	3,741	2,489	1,251
Pension and social security institutions	3,476	3,901	(425)
<b>Total</b>	<b>41,981</b>	<b>34,233</b>	<b>7,749</b>

The change in the item **Other current liabilities** mainly refers to short-term guarantee deposits received from Group customers, as well as to changes in minor items.

**Tax liabilities** include tax payables such as VAT receivables and other taxes payable. The item does not include payables relating to direct taxes, for which reference is made to **Note 41– Current tax assets and liabilities**.

The change in the item **Employees** refers mainly to the payment of bonuses related to the Management remuneration and compensation plan.

## NOTE 13 - EMPLOYEE BENEFITS

Liabilities for employee benefits, which amounted to EUR 3,397 thousand (EUR 3,543 thousand at 31 December 2023), include the estimated liability related to the post-employment benefits payable to employees upon termination of employment.

There are no changes to report with respect to what is indicated in the 2023 Annual Financial Report. In particular, due to the absence of significant changes during the first half of 2024 in the parameters used for the actuarial calculation, no actuarial adjustments were made.

### III. INVESTING ACTIVITIES

#### NOTE 14 - AUTHORISATIONS AND CONCESSIONS

(EUR thousand)	Authorisations and Concessions
Historical cost	1,460,394
Amortisation and impairment losses	(485,338)
<b>BALANCE AT 31/12/2023</b>	<b>975,056</b>
<b>Changes for the period:</b>	
Change in scope of consolidation	203,393
Amortisation	(35,891)
Other changes	(72)
Historical cost	1,663,742
Amortisation and impairment losses	(521,255)
<b>BALANCE AT 30/06/2024</b>	<b>1,142,487</b>

For greater comprehension, changes during the period relating to reclassifications, disposals and divestments and other changes are shown net of the related accumulated amortisation and impairment losses.

The change in the scope of consolidation refers to the increase resulting from the Falcon and Pinnacle business combinations, which took place during the first half of 2024. For further details, please refer to **Note 43 – Business combinations**.

#### NOTE 15 - OTHER INTANGIBLE ASSETS

(EUR thousand)	Other intangible assets	Assets under development	Total
Historical cost	59,930	5,075	65,005
Amortisation and impairment losses	(49,194)	-	(49,194)
<b>BALANCE AT 31/12/2023</b>	<b>10,735</b>	<b>5,075</b>	<b>15,811</b>
<b>Changes for the period:</b>			
Change in scope of consolidation	812	-	812
Capital expenditure	177	1,378	1,555
Reclassifications	77	(77)	-
Amortisation	(1,591)	-	(1,591)
Other changes	584	-	584
Historical cost	61,647	6,376	68,023
Amortisation and impairment losses	(50,852)	-	(50,852)
<b>BALANCE AT 30/06/2024</b>	<b>10,795</b>	<b>6,376</b>	<b>17,171</b>

For greater comprehension, changes during the period relating to reclassifications, disposals and divestments and other changes are shown net of the related accumulated depreciation and impairment losses.

Assets under development at the end of the period, like the main changes in the period, refer to software mainly in ERG S.p.A. and ERG Power Generation S.p.A.

## NOTE 16 - GOODWILL

The graph below shows the changes in the item "Goodwill" during the period:

(EUR thousand)	Italy	France	Germany	Spain	USA	Total
<b>BALANCE AT 31/12/2023</b>	<b>279,259</b>	<b>91,744</b>	<b>32,833</b>	<b>8,668</b>	<b>-</b>	<b>412,505</b>
<b>Changes for the period:</b>						
"Falcon" business combination	-	6,009	-	-	-	<b>6,009</b>
"Pinnacle" business combination	-	-	-	-	12,635	<b>12,635</b>
Other changes	-	-	-	-	(329)	<b>(329)</b>
<b>BALANCE AT 30/06/2024</b>	<b>279,259</b>	<b>97,753</b>	<b>32,833</b>	<b>8,668</b>	<b>12,306</b>	<b>430,820</b>

At 30 June 2024, this item amounted to EUR 431 million (EUR 413 million at 31 December 2023). The change refers to business combinations that took place in the first half of 2024. For further details, please refer to **Note 43 – Business combinations**.

For the purposes of these Condensed Interim Consolidated Financial Statements, the test required by paragraph 12 of IAS 36 was performed and no elements emerged that required an adjustment to the carrying amount of goodwill. For more information, see the comments in **Note 21 – Impairment Testing**.

## NOTE 17 - PROPERTY, PLANT AND EQUIPMENT

(EUR thousand)	Land and buildings	Plant and equipment	Other assets	Assets under construction	Total
Historical cost	104,391	4,426,678	35,642	355,542	4,922,253
Depreciation and impairment losses	(50,253)	(2,444,006)	(25,251)	-	(2,519,510)
<b>BALANCE AT 31/12/2023</b>	<b>54,138</b>	<b>1,982,671</b>	<b>10,392</b>	<b>355,542</b>	<b>2,402,743</b>
<b>Changes for the period:</b>					
Change in scope of consolidation	-	506,744	-	-	506,744
Capital expenditure	2,725	17,481	540	102,161	122,908
Reclassifications	-	179,116	322	(179,438)	-
Disposals and divestments	-	(449)	-	(142)	(591)
Depreciation	(1,703)	(82,276)	(929)	-	(84,908)
Other changes	5,700	14,318	(392)	-	19,627
Historical cost	112,984	5,117,754	35,877	278,124	5,544,738
Depreciation and impairment losses	(52,123)	(2,500,148)	(25,944)	-	(2,578,216)
<b>BALANCE AT 30/06/2024</b>	<b>60,860</b>	<b>2,617,606</b>	<b>9,933</b>	<b>278,124</b>	<b>2,966,523</b>

For greater comprehension, changes during the period relating to reclassifications, disposals and divestments and other changes are shown net of the related accumulated depreciation and impairment losses.

The **change in the consolidation scope** refers mainly to the aforementioned business combinations during the period and investments made during the period. For a more detailed analysis, reference should be made to **Note 43 – Business combinations**.

**Capital expenditure** mainly relates to organic development of approximately EUR 123 million, related to construction activities in Italy, including Repowering, Solar Revamping and Storage projects, as well as wind farm construction, particularly in France.

The item **Reclassifications** includes reclassifications between different asset classes, relating to the completion of wind farms under construction, particularly for Repowering activities in Italy (Mineo-Militello-Vizzini) and greenfield activities in Italy (Roccapalumba).

The item **Other changes** refers for around EUR 7 million to the change in the exchange rate effect during the period and for around EUR 5 million to the capitalisation of financial interests related to the organic development of the parks under construction.

With regard to the existence of restrictions on the assets held by the Group, please refer to **Note 33 – Current and non-current financial liabilities**.

## NOTE 18 - RIGHT-OF-USE ASSETS

Si riporta nella tabella seguente la movimentazione della voce nel periodo:

(EUR thousand)	Land and buildings	Specific plant	Equipment	Other assets	Total
Historical cost	197,768	1,002	198	6,519	205,487
Amortisation, depreciation and impairment losses	(33,758)	(177)	(50)	(5,578)	(39,563)
<b>BALANCE AT 31/12/2023</b>	<b>164,011</b>	<b>825</b>	<b>147</b>	<b>940</b>	<b>165,923</b>
Increase in right-of-use assets	1,029	83	-	1,674	2,785
Increase in right-of-use assets due to business combinations	41,025	-	-	-	41,025
Derecognition of right-of-use assets	(80)	-	-	(25)	(105)
Amortisation/depreciation for the period	(4,896)	(50)	(25)	(710)	(5,681)
Historical cost	232,912	1,086	198	8,143	242,339
Amortisation, depreciation and impairment losses	(31,824)	(227)	(76)	(6,264)	(38,391)
<b>BALANCE AT 30/06/2024</b>	<b>201,088</b>	<b>858</b>	<b>122</b>	<b>1,880</b>	<b>203,948</b>

The increase for the period in the item **Land and buildings** is mainly due to the recognition of the right of use on the land of the photovoltaic systems referring to the aforementioned business combinations. The increase also includes some recognitions of other assets in ERG S.p.A. and ERG Power Generation S.p.A., as well as the recognition of new land in Italy and Europe. For further details on business combinations, please refer to **Note 43 – Business Combinations** in Section **VII. Other Notes**.

## NOTE 19 - PROVISIONS FOR DISMANTLING EXPENSES

(EUR thousand)	30/06/2024	Increases	Decreases	Change in the scope of consolidation	31/12/2023
Provisions for dismantling expenses	90,398	4,143	(1,997)	9,422	78,830
<b>Total</b>	<b>90,398</b>	<b>4,143</b>	<b>(1,997)</b>	<b>9,422</b>	<b>78,830</b>

Changes in the period are mainly related to utilisations and new entries of provisions within the scope of the Repowering and Revamping activities on some wind farms in Italy. The **Change in the scope of consolidation** refers to the aforementioned acquisitions during the period (approximately EUR 10 million).

## NOTE 20 - AMORTISATION, DEPRECIATION AND IMPAIRMENT LOSSES

(EUR thousand)	1st half 2024	1st half 2023	Change
Amortisation of Authorisations and concessions	35,891	31,672	4,219
Amortisation of Other intangible assets	1,591	1,413	178
<b>Total</b>	<b>37,482</b>	<b>33,085</b>	<b>4,397</b>
Depreciation of Property, plant and equipment	84,908	74,954	9,954
Depreciation of right-of-use assets	5,656	4,739	917
<b>Total</b>	<b>90,564</b>	<b>79,693</b>	<b>10,871</b>

Amortisation and depreciation refer mainly to wind plants and photovoltaic systems.

The increase reflects the full contribution of the new plants acquired during the period and developed internally (EUR 17 million), partly offset by the extension of the useful life of foreign wind power assets as a result of the "Lifetime extension" programmes, which started in the second quarter of 2023 and therefore was not yet fully reflected in the calculation of amortisation and depreciation in the first half of 2023.

## NOTE 21 - IMPAIRMENT TESTING

IAS 36 specifies that at the end of each reporting period, an entity is required to assess whether there is any indication that an asset may be impaired. If there is such an indication, then the asset's recoverable amount must be estimated. In assessing whether the aforementioned indication exists, the entity must consider the presence of any "indicators of impairment", as required by paragraph 12 of IAS 36.

To this end, the Group took into consideration that IAS 36 defines the internal and external sources of information, such as:

- External sources:
  - significant reduction in the value of assets;
  - negative changes in technology, markets, economy and laws;
  - increase in discount rates;
  - carrying amount of net assets higher than market capitalisation.
- External sources:
  - evidence of physical obsolescence;
  - significant internal changes with negative effects in the period or expected in the near future;
  - evidence from internal reports that the performance is or will be lower than the Budget expectations.

For this analysis, reference was made to the results of the first half of the year with respect to the approved plans and the forecasts on business performance for the remainder of the year, as well as the update of the scenarios also in the medium to long term and the evolution of the discount rate.

With regard in particular to the scenario, account was taken of the assumptions underlying the 2024-2028 Business Plan, approved by the Board of Directors of ERG S.p.A. on 15 May 2024, therefore proceeding to carry out a sensitivity analysis by updating the scenario used in the test for the first three years of observation.

Following the exercise of analysing the internal and external indicators listed above and the related sensitivity exercise described above, no indicators of impairment emerged such as to require a restatement of the value of the assets allocated to the identified Cash Generating Units, and therefore the values already verified for the Consolidated Financial Statements are confirmed. In this regard, it should be noted that the checks carried out for the purpose of the Financial Statements for the year ended 31 December 2023 showed a positive difference (headroom), in some cases even significant, between recoverable amount and carrying amount for all groups of CGUs under review. In the second half of the year, the directors will continue to monitor the possible impacts resulting from the volatility and uncertainty characterising the geopolitical, macroeconomic and energy framework of reference, and in particular will assess whether the possible continuation of these conditions could represent an indicator of impairment in the impairment test at year-end.

Finally, it should be specified that the Group's capitalisation at the period ended 30 June 2024 was EUR 3.5 billion, well above the equity amount at the same date. In light of the above, the conclusions set forth in the Annual Financial Report at 31 December 2023 are therefore confirmed.

## NOTE 22 - EQUITY INVESTMENTS

(EUR thousand)	Measured at equity	Measured at cost	Total
<b>Equity investments:</b>			
- in subsidiaries not consolidated on a line-by-line basis	-	1,270	1,270
- in associates	1,071	-	1,071
- in other companies	-	477	477
<b>TOTAL</b>	<b>1,071</b>	<b>1,747</b>	<b>2,818</b>

(EUR thousand)	Equity investments			Total
	Subsidiaries not consolidated on a line-by-line basis*	Associates	Other companies	
<b>31/12/2023</b>	1,085	1,071	477	2,633
<b>Changes for the period:</b>				
Acquisitions and increases	185	-	-	185
<b>30/06/2024</b>	<b>1,270</b>	<b>1,071</b>	<b>477</b>	<b>2,818</b>

(\*) This item includes non-operating companies.

For more details on the changes during the period, please refer to **Note 46 – List of Group companies and transactions of the period**.

## NOTE 23 - NET GAINS (LOSSES) ON EQUITY INVESTMENTS

(EUR thousand)	1st half 2024	1° 1st half 2023	Change
Price adjustment for sale of equity investment	-	5,174	(5,174)
Allocation to provision for risks on equity investments	-	(33)	(33)
<b>Total</b>	<b>-</b>	<b>5,141</b>	<b>(5,141)</b>

It should be noted that in the first half of 2023 the item Price adjustment for the sale of equity investments included the positive effect deriving from the collection of two price adjustments related to the sale of equity investments occurred in previous years (TotalErg S.p.A. and ERG Hydro S.r.l.) for an amount of EUR 3 million and EUR 2 million, respectively.

## NOTE 24 - OTHER NON-CURRENT FINANCIAL ASSETS

(EUR thousand)	30/06/2024	31/12/2023	Change
Tied receivables – Escrow Account Italian Law no. 488/92 grants	24,240	24,240	-
Security deposits and other financial assets	23,552	23,774	(222)
<b>Total</b>	<b>47,792</b>	<b>48,014</b>	<b>(222)</b>

**Tied receivables – Escrow Account Italian Law no. 488/92 grants** relate to the sums deposited by the Group awaiting the decision of the Naples Court of Appeals and other competent courts, with reference to grants pursuant to Italian Law no. 488/92 relating to wind farms acquired as part of the ERG Wind transaction. With respect to the aforesaid amounts, a liability of an equal amount has been allocated and it was recognised in the 2013 Consolidated Financial Statements as part of the purchase price allocation as a potential adjustment to the acquisition price of the ERG Wind Group (as illustrated in **Note 11 – Other non-current liabilities**).

### Italian Law no. 488/92 grants of ERG Wind

In the period from 2001-2005, prior therefore to the acquisition by ERG Renew S.p.A. (now ERG Power Generation S.p.A.) of the companies belonging to the International Power Group, funds were assigned to these companies pursuant to Italian Law no. 488/1992 totalling EUR 53.6 million in relation to some projects for the construction of wind farms.

In the first half of 2007, an investigation was initiated by the Public Prosecutor at the Court of Avellino in relation to the allocation of these grants with specific reference to the alleged falseness of certain of the documents provided with the grant application.

In 2007, the attachment of the Italian Law no. 488/1992 incentives still to be provided was ordered (EUR 21.9 million) and on 30 September 2008 the Public Prosecutor ordered the precautionary attachment of seven wind farms. Following the deposit of an amount equal to EUR 31.6 million by the involved companies, in January 2010 the wind farms which had been under precautionary attachment were released, upon attachment of the aforementioned amounts.

These amounts were then transferred to the Escrow Account.

The first instance proceedings were opened in 2012 before the Criminal Section of the Court of Avellino against the aforementioned companies and other defendants.

These proceedings were concluded in December 2020 with a ruling that ordered (i) the acquittal of/nonsuit against all natural persons; (ii) the acquittal of some companies with reference to 2 projects with immediate repayment of the amounts subject to preventive attachment, equal to approximately EUR 7.4 million and (iii) the conviction of some companies with reference to 7 projects, with confiscation of the amounts relating to the grants pursuant to Italian Law no. 488/92 disbursed to the same and already deposited with the Escrow Account (Fondo Unico di Giustizia – FUG) for a total amount of approximately EUR 24.2 million, with the provision of administrative pecuniary sanctions, for a total amount of approximately EUR 0.5 million, and 1-year interdiction orders. The confiscation and the sanctions indicated above are not immediately enforceable until the judgement becomes final.

The convicted companies have appealed against the Avellino Court's ruling. The case is pending before the Naples Court of Appeal and the hearing has been set for 24 September 2024.

By contrast, the Public Prosecutor did not appeal the ruling, which therefore became final in the part which acquits ERG Wind Sicilia 3 S.r.l. and ERG Wind Sicilia 2 S.r.l. (the latter in relation solely to the Camporeale project). In March and April 2014 the companies that were the recipients of the incentives pursuant to Italian Law no. 488/1992 received from the Italian Ministry of Economic Development the orders communicating the initiation of the procedures to revoke the aforementioned incentives.

On 6 February 2015, extraordinary appeals were served against the ministerial cancellation decrees, with simultaneous petition for the precautionary suspension of the enforceability of the contested measures.

On 27 July 2015, the beneficiary companies were issued with payment notices relating to the return of the incentives. Said notices were challenged with the submission of opposition proceedings before the Court of Genoa.

As part of said proceedings, the Civil Judge ruled the tax assessments suspended against the submission of bank guarantees for the entire value of the latter (EUR 49 million). At the hearing of 23 October 2018, the Civil Judge, noting the prejudicial nature of the proceeding initiated with the extraordinary appeal before the President of the Republic of Italy, ordered the suspension of the civil proceedings while the administrative case is pending.

The proceedings subsequent to the filing of the extraordinary appeals to the President of the Republic of Italy are also still pending and, despite the reminders filed by the applicants, the decision on the appeal and on the merits did not take place during 2022 with the exception of the extraordinary appeals brought by ERG Wind 6 and ERG Wind Sicilia 6, both of which were declared inadmissible due to lack of jurisdiction of the administrative judge. These are partially different judgements from the others in that the contributions pursuant to Italian Law no. 488/92 had never been paid to the companies and therefore the revocation decrees imply only the definitive loss of the contributions not paid, but have no economic impact on the companies. A hearing has also been set for 11 December 2024 for the discussion of the extraordinary appeals still pending, which will be followed by the publication of the decisions and, in light of the precedents of ERG Wind 6 and ERG Wind Sicilia 6, it cannot be ruled out that even in this case there may be a declaration of lack of jurisdiction by the administrative court, which would give the companies the right to resume the proceedings before the civil court.

In view of: (i) the guarantees issued by the seller of the companies of the International Power Group to ERG in the contract of transfer of the investments in these companies, (ii) the settlement agreement concluded between said seller and ERG dated 19 December 2016, in which these guarantees were confirmed and further detailed, and (iii) the fact that in the 2013 Consolidated Financial Statements a liability for an amount corresponding to the nominal amount of the incentives for which the Italian Ministry of Economic Development is requesting the return (see definition of the purchase price allocation as a potential adjustment to the acquisition price of the ERG Wind Group (**Note 12 – Other non-current liabilities**)) had already been allocated, further provisions are not required.

## IV. PROVISIONS AND CONTINGENT LIABILITIES

### NOTE 25 - PROVISION FOR DISPOSED BUSINESSES

(EUR thousand)	30/06/2024	Increases	Decreases	31/12/2023
Provision for disposed businesses	84,346	408	(643)	84,581
<b>Total</b>	<b>84,346</b>	<b>408</b>	<b>(643)</b>	<b>84,581</b>

The "Provision for Disposed Businesses" includes tax, environmental or legal provisions deriving from the Group's transactions before 2018, the year in which the Group completed its industrial transformation process, initiated in previous years, which led to its definitive exit from OIL businesses.

This process comprised two fundamental steps:

- the sale of the last interest held in ISAB S.r.l., on 30 December 2013, which marked the exit from the Coastal Refining business;
- the sale of the Group's interest in TotalErg S.p.A., on 10 January 2018, which determined the exit from the Integrated Downstream business.

In addition to this strategic restructuring of the Group, there was the sale of the hydroelectric business, with the company ERG Hydro S.r.l., which took place on 3 January 2022 and the sale of the thermoelectric business, with the company ERG Power S.r.l., which took place on 17 October 2023.

Although the ERG Group is no longer an active operator in the above-mentioned sectors, there are still remaining liabilities tied to the previous industrial activity and not yet fully defined.

The main issues underlying the main allocations are summarised below:

- regarding the ongoing dispute between ERG Raffinerie Mediterranee (now ERG S.p.A.) and the Italian Tax Authorities over the application of harbour duties for embarkation and disembarkation rights at the Santa Panagia jetty, on 6 April 2011 the Syracuse Provincial Tax Commission partially upheld the Company's appeal and ruled that harbour duties through 2006 are not due, finding them to be due from 2007 onwards. The first level ruling was challenged within the deadline by the Customs Agency and by ERG with appeal relative to the period subsequent to 2006.

The appeal decision, issued by the Regional Tax Commission and filed on 27 May 2013, amended the first level decision unfavourably for ERG.

Following a thorough evaluation of the reasons for the appeal decision, the Company decided to appeal before the Court of Cassation, deeming its own arguments to be well grounded (in particular with regard to the notion of "harbour" in accordance with Italian Law no. 84/94 and to the alleged novating or retroactive validity of Article 1, paragraph 986 of the 2007 Italian Budget Law). On 4 November 2013, the Syracuse Regional Tax Commission allowed the request to suspend the effectiveness of the appeal decision, requiring the issue of a first demand insurance guarantee in favour of the Customs Agency. In the court order issued on 30 September 2019, the Court of Cassation ruled favourably on the appeal filed by the company and, consequently, rejected – overturning – the contested decision by the Regional Tax Commission. The proceedings were therefore continued within the terms prescribed by law before the Regional Tax Commission so that the latter – which has changed in composition since the previous hearing – may once again examine the merits of the case. A date for the hearing is still pending. From 2007, the relevant taxes were recognised in the income statement on an accruals basis.

- with reference to environmental risk, with regard to the South Site the likelihood of exposure to contingent liabilities is deemed remote, as the risk has already been limited by the settlement reached with the Italian Ministry of the Environment in August 2011 and registered by the Court of Auditors on 20 December 2011, and by the Settlement Agreement stipulated on 30 December 2013 between ERG S.p.A. and Lukoil. With regard to the North Site, depending on the double guarantee scheme deriving both from the agreement executed with ENI (previous owner of the site), and the agreement executed with Lukoil (new owner), the risk is as follows:
  - (i) for potential environmental damage prior to 1 October 2002, ENI is liable indefinitely;
  - (ii) with reference to potential damages relating to the period after 1 October 2002, ERG will be liable – without time limitations – only for potential damages linked to events known at the time of signing the contract with Lukoil and expressly identified therein ("Known Environmental Matters"), it being understood that, up to an amount of

EUR 33.4 million, the expenses related to the compensation of such damages will be shared between ERG and Lukoil (51% and 49%), while beyond this amount ERG will be charged in full for any additional charges.

On 9 September 2017, the Italian Ministry for the Environment warned some of the companies of the Priolo site, including ERG Power S.r.l. and ERG Power Generation S.p.A., to clean up the Augusta Harbour. The request is unlawful and has therefore been contested before the Administrative Court (the hearing for the presentation of the arguments has yet to be set).

On 30 October 2020 and subsequently on 11 June 2021 and 30 May 2022, ERG Power S.r.l. and ERG Power Generation S.p.A. served notice of three further appeals for additional reasons, for the cancellation, respectively of (i) protocol no. 0064419 of 14 August 2020 in which the Italian Ministry of Environment and Protection of Land and the Sea called a preliminary conference of services to evaluate the report prepared in January 2020 by Ispra and IAS-CNR, regarding the "Site of national interest of Priolo Augusta Harbour" and (ii) the decree of the Italian Ministry of Ecological Transition, General Management and Environmental Remediation protocol no. 50 of 15 April 2021, in which the Ministry approved the Ispra and IAS-CNR report, deeming the document a suitable basis on which to draft a remediation plan for the Augusta Harbour; and (iii) protocol no. 42114 of 1 April 2022 with which the Ministry of Ecological Transition – Directorate General for the Sustainable Use of Soil and Water Resources, forwarded the intervention plan for the definition of sediment intervention values in the Augusta Harbour (Priolo SIN), drawn up by ISPRA. These acts were challenged because the Italian Ministry's initiative was undertaken on the basis of the same (incorrect) assumptions, which formed the basis of the caution of 2017, already challenged by ERG Power S.r.l. and ERG Power Generation S.p.A. In its ruling published on 27 December 2023, the Administrative Judge dismissed the aforesaid appeals, stating that the contested actions are of an intra-procedural nature and, as such, are not capable of producing – in an immediate and direct manner – effects on the legal sphere of the appellants and therefore cannot be independently challenged. The companies will therefore be able to legitimately challenge the final acts of the proceedings that would impose on them obligations to clean up the Augusta Harbour. Following discussions also with the other operators on the site, on 27 March 2024 ERG Power Generation S.p.A. and B2G Sicily S.r.l. (formerly ERG Power S.r.l.) filed a precautionary appeal to the Administrative Justice Council (CGA) for Sicily, in order to obtain a reform of the part of the ruling in the event that it could be interpreted as recognition of the existence of a liability on the part of the operators for the pollution present in the Augusta Harbour.

ERG S.p.A. is not party to the proceedings, but the environmental topics relating to the Augusta Harbour arise in the context of the environmental guarantees present in the various contracts with ENI and Lukoil;

- with reference to the sale of **TotalErg** and in particular to the guarantees connected to the buyer on prior contingent liabilities (retained matters and other prior contingent liabilities), the best estimate of the expense was computed on the basis of the information available to management and taking into account the large number of underlying elements and all possible outcomes of the related topics.

With regard to the sale of the **hydroelectric** business and the sale of the **thermoelectric** business, allocations were made for a total of approximately EUR 9 million.

## NOTE 26 - OTHER PROVISIONS

(EUR thousand)	Non-current portion	Current portion	30/06/2024	Increases	Decreases	Change in the scope of consolidation	31/12/2023
Provisions for tax risks	28,333	1,757	30,091	-	(1,203)	-	31,294
Provisions for institutional counterparty risks	4,500	24,692	29,192	571	(5,097)	-	33,718
Provision for legal risks	-	1,408	1,408	-	-	-	1,408
Other provisions for risks and charges	5,378	2,105	7,483	465	(3,277)	3,178	7,116
<b>Total other provisions</b>	<b>38,211</b>	<b>29,963</b>	<b>68,174</b>	<b>1,036</b>	<b>(9,577)</b>	<b>3,178</b>	<b>73,536</b>

The **Provision for tax risks** includes provisions for risks recognised in connection with acquisitions in previous periods and provisions from previous years for tax risks on foreign companies, and the allowance relating to the existing dispute and to the potential dispute in relation to local taxes brought as a result of the different interpretation provi-

ded by the Italian Revenue Agency regarding application of the regulatory provisions introduced by Italian Law no. 208/2015 (in particular, wind towers are considered by the Italian Revenue Agency to be relevant for the purposes of calculating cadastral rent).

The decrease for the period mainly refers to the release of provisions for risks recognised in connection with certain acquisitions that occurred in previous periods for which the requirements that originally led to their recognition are no longer met.

The **Provision for institutional counterparty risks** mainly refers to the following risks:

- charges tied to interest and revaluations on the grants under Italian Law no. 488/1992 (EUR 16 million), relating to wind farms acquired as part of the ERG Wind transaction and revoked by the Italian Ministry of Economic Development, as described in more detail in **Note 24 – Other non-current financial assets**. It should be noted that the risks associated with the revocation of the aforementioned grants are covered in the ERG Wind acquisition agreements by specific indemnity obligations issued by the seller and therefore the related receivable was allocated to **Other non-current assets**;
- contingent foreign company charges related to Romania (EUR 7 million), recognised in 2015 upon the dissolution of the LUKERG Renew joint venture, as well as contingent charges related to Poland (EUR 4 million) for the calculation of clawback measures for certain 2023 monthly payments.

The decrease mainly refers to contingent liabilities releases in Romania and utilisations relating to grants under Italian Law nmo. 488/1992.

The **Provision for legal risks** mainly relates to provisions for risks relating to the wind and solar businesses.

The item **Other provisions for risks and charges** mainly refers to risks on potential higher contractual charges (approximately EUR 3 million) as well as risks relating to disputes involving some foreign companies. The decrease mainly refers to the use or release of provisions for sundry risks and charges in some Italian companies for which the requirements that had originally led to their recognition are no longer met. The increase in the change in the scope of consolidation refers to the recognition of a provision for potential future charges identified in connection with acquisitions during the period.

## NOTE 27 - CONTINGENT LIABILITIES AND DISPUTES

ERG is a party in civil, administrative and tax proceedings and legal actions connected with the normal course of its operations. Where no explicit mention is made of a provision, the Group has assessed the corresponding risk as possible and provides the relevant information.

The notes to the condensed interim consolidated financial statements must disclose the significant contingent liabilities represented by:

- possible (but not probable) obligations arising from past events, the existence of which will be confirmed only upon occurrence of one or more uncertain future events not wholly within the Group's control;
- present obligations arising from past events the amount of which cannot be reliably estimated, or for which it is probable that settlement will not be onerous.

For the purposes of these Condensed Interim Consolidated Financial Statements, there are no obligations falling within the definition described above..

## V. FINANCING ACTIVITIES

### OWN FUNDS

#### NOTE 28 - EQUITY ATTRIBUTABLE TO THE OWNERS OF THE PARENT

The change in equity during the period is shown below:

(EUR million)

Equity attributable to the owners of the parent	31.12.2023	Share-based payments	Dividends	Share buy-back	Changes in other reserves	Hedging reserve	Result	30/06/2024
	2,133	2	(146)	(37)	5	17	128	2,103

(EUR thousand)

	30/06/2024	31/12/2023
<b>Share capital</b>	<b>15,032</b>	<b>15,032</b>
Share premium reserve	74,543	74,543
Revaluation reserves	66,946	66,946
Legal reserve	3,236	3,236
Hedging reserve	58,778	41,711
Translation reserve	(3,197)	(8,136)
Reserve for treasury shares in portfolio	(87,129)	(66,740)
Other reserves	1,587,909	1,527,666
<b>Total Reserves</b>	<b>1,701,085</b>	<b>1,639,225</b>
Retained earnings	258,198	300,108
Profit for the period/year	128,362	178,668
<b>Equity attributable to the owners of the parent</b>	<b>2,102,677</b>	<b>2,133,033</b>
Non-controlling interests	84,665	6,664
<b>Equity</b>	<b>2,187,341</b>	<b>2,139,697</b>

The “**Share premium reserve**” consists of the share premium paid by the shareholders for the subscription of the shares relating to the share capital increases carried out on 14 October 1997, 2 July and 5 August 2002.

**Revaluation reserves** refer to the revaluation pursuant to law of property, plant and equipment carried out in previous years.

The **Hedging reserve** reflects the effect of the derivatives hedging ongoing loans. With reference to the impact on the statement of comprehensive income of hedging derivatives in the amount of EUR 17 million, please refer to the **Statement of comprehensive income**.

The **Reserve for treasury shares in portfolio** includes the cost of the parent's shares held by the Group, the movement of which over the period is detailed on the following pages.

“**Other reserves**” comprise mainly:

- the goodwill generated by the 2015 merger of ISAB Energy S.r.l. into ERG S.p.A. for an amount of EUR 184 million;

- the monetary revaluation reserve, which as from 2015 includes the reconstitution of the monetary realignment reserve of the former ISAB Energy S.r.l. as per Italian Law no. 266/05 for an amount of EUR 29 million;
- the goodwill generated by the 2010 merger of ERG Raffinerie Mediterranee S.p.A. and ERG Power & Gas S.p.A. into ERG S.p.A., equal to EUR 446 million, which had been partly allocated in the “2010 merger goodwill” reserve (EUR 251 million) and partly to reconstitute the specific equity reserves (EUR 195 million) subject to tax on distribution;
- the consolidation reserve.

### Share capital

The fully paid-in share capital at 30 June 2024 consisted of 150,320,000 shares with a par value of EUR 0.10 each for a total of EUR 15,032,000 (unchanged since 31 December 2023).

At 30 June 2024, the parent's Shareholders' Register, in relation to shareholders holding significant equity investments, shows the company SQ Renewables S.p.A. as the owner of approximately 63% of the share capital, unchanged compared to 31 December 2023.

The shareholding structure of ERG S.p.A. is shown below:

	No. of shares	%
<b>Share capital</b>	<b>150,320,000</b>	<b>100%</b>
SQ Renewables S.p.A.	94,000,000	63%
ERG S.p.A. (treasury shares)	3,831,474	3%
Others lower than 3%	52,488,526	34%
<b>Total</b>	<b>150,320,000</b>	<b>100%</b>

### Treasury shares

On 23 April 2024, pursuant to Article 2357 of the Italian Civil Code, the Ordinary Shareholders' Meeting authorised the Board of Directors, subject to revocation, for the period still remaining, of the previous authorisation resolved by the Shareholders in the meeting on 26 April 2023, for a period of 18 months effective from 23 April 2024, to purchase treasury shares up to a revolving maximum (i.e. the maximum amount of treasury shares held from time to time in the portfolio) of 15,032,000 ordinary ERG shares with a par value of EUR 0.10 each, at a unit price, including ancillary purchase charges, not lower than 30% below and not higher than 10% above the closing price of the share on the day immediately preceding each individual transaction. This is in order to optimise the capital structure with a view to maximising the creation of value for shareholders, also in relation to the available liquidity and, nonetheless, for any other purposes allowed by the applicable legislative and regulatory provisions in force. The purchase must be carried out through the use of distributable profits and available reserves resulting from the last approved Financial Statements, in compliance with Article 132 of the Consolidated Finance Act and in the manner set forth in Article 144-bis, paragraph 1, letter b) of the Issuers' Regulation, i.e. “on regulated markets or multilateral trading facilities in accordance with the operating procedures established in the organisational and management regulations of the markets themselves, which do not allow the direct matching of trading proposals for purchase with predetermined trading proposals for sale”.

The Shareholders authorised the Board of Directors, pursuant to Article 2357-ter of the Italian Civil Code, upon annulment, for the period still remaining, of the previous authorisation resolved by the Shareholders' Meeting on 26 April 2023, for 18 months as from 23 April 2024, to also sell, all at once or in several steps, and with any procedures deemed appropriate in relation to the purposes, which the disposal is attempting to achieve, treasury shares at a unit price no lower than 10% below the closing price of the share on the day immediately preceding each individual disposal.

It should be noted that on 12 October 2023, the Board of Directors of ERG S.p.A. resolved to start the share buy-back programme, in compliance with the resolution passed by the Shareholders' Meeting on 26 April 2023.

At 12 February 2024, 3,758,000 ordinary shares – the maximum number of shares that can be purchased – were repurchased at a weighted average price of EUR 26.0 per share and the purchase programme was therefore concluded. Considering the shares already in its portfolio prior to the start of the programme, ERG S.p.A. holds, at the conclusion of the programme, 4,540,080 treasury shares equal to 3.0203% of its share capital.

Period	Number of shares purchased	Average price per share (Euro)	Aggregate number of shares purchased
<b>2023-2024 Programme</b>			
October 2023	480,000	23.14	480,000
November 2023	947,636	24.85	1,427,636
December 2023	976,644	27.25	2,404,280
January 2024	796,938	27.15	3,201,218
February 2024	556,782	26.59	3,758,000
<b>TOTAL AT 12/02/2024</b>	<b>3,758,000</b>	<b>26.00</b>	<b>3,758,000</b>

The following table shows the change in the number of treasury shares and shares outstanding:

Number of shares	Treasury shares	Shares outstanding
<b>BALANCE AT 31/12/2023</b>	3,186,360	147,133,640
Repurchase of ordinary shares	1,353,720	(1,353,720)
Share-based payments with equity-linked instruments (LTI 2020-2023)	(708,606)	708,606
<b>BALANCE AT 30/06/2024</b>	<b>3,831,474</b>	<b>146,488,526</b>

The change in the number of treasury shares in the first half year of 2024 was determined by the execution of the share buy-back programme, which began in the second half year of 2023 and by the allocation of treasury shares to Management under the long-term incentive plan (LTI) 2020-2023..

### Dividends

In the first half of 2024, ERG S.p.A. paid dividends totalling EUR 146.5 million, equal to EUR 1.00 for each of the shares entitled to receive dividends at the coupon date. In the corresponding period of the previous year, dividends amounting to EUR 149.5 million were distributed, equal to EUR 1.00 for each of the shares entitled to receive dividends on the ex-dividend date.

It should also be noted that dividends in the amount of EUR 1.4 million were paid to non-controlling interests of investee companies.

### Supplementary information on capital

The objectives identified by the Group for capital management are to safeguard corporate viability, to create stakeholder value and to support Group development. In particular, the Group pursues the maintenance of an adequate level of capitalisation that allows it to produce a satisfactory economic return for the shareholders and to assure access to external financing sources, also through the achievement of an adequate rating. In this context, the Group manages its own capital structure and makes adjustments to it, if changes in the economic conditions require it. There were no substantial changes to the objectives, to the policies or to the processes as at the date of preparation of this document.

## NOTE 29 - NON-CONTROLLING INTERESTS

Non-controlling interests relate to the consolidation on a line-by-line basis of the following companies that have other shareholders:

Company	30/06/2024			31/12/2023	
	% non-controlling interest	non-controlling interests	Profit/(Loss)	non-controlling interests	Profit/(Loss)
Andromeda PV S.r.l.	21.50%	6,070	808	6,664	1,829
C.P.E.S. Mas d'en Ramis S.A.S.	40.00%	1,024	(102)	-	-
C.P.E.S La Brède S.A.S.	42.58%	420	(65)	-	-
Project Pinnacle I, LLC	25.00%	77,151	461	-	-

The change mainly refers to the business combinations that took place during the period, as well as the effect of the dividends paid by the company Andromeda PV S.r.l.

## NET FINANCIAL INDEBTEDNESS

### Relevant information on the accounting standards adopted and recognition and measurement criteria

For the purposes of defining the net financial indebtedness, reference is made to the information provided on the subject in CONSOB Warning Notice no. 5/21 of 29 April 2021.

In detail, the net financial indebtedness is broken down as follows:

A. Cash

B. Cash equivalents

C. Other current financial assets

D. Liquidity (A) + (B) + (C)

E. Current financial liabilities – instruments measured at fair value

F. Current portion of non-current financial liabilities

G. Current financial indebtedness (E) + (F)

H. Net current financial indebtedness (G) - (D)

I. Non-current financial liabilities

J. Debt instruments

K. Trade payables and other liabilities

L. Non-current financial indebtedness (I) + (J) + (K)

M. Net financial indebtedness (H) + (L)

(EUR thousand)	Notes	30/06/2024	31/12/2023
A. Cash	30	93,851	292,568
B. Cash equivalents	30	210,000	175,000
C. Other current financial assets	31-32	88,800	241,696
<b>D. Liquidity (A) + (B) + (C)</b>		<b>392,651</b>	<b>709,264</b>
E. Current financial liabilities	33	(111,898)	(142,987)
F. Current portion of non-current financial liabilities – debt instruments	33	(506,094)	-
F. Current portion of non-current financial liabilities – loans, borrowings and Project Financing	33	(37,178)	(20,998)
F. Current portion of non-current financial liabilities – other liabilities	33	(19,094)	(22,170)
F. Current portion of non-current financial liabilities – current lease liabilities	34	(6,856)	(6,353)
<b>G. Current financial indebtedness (E) + (F)</b>		<b>(681,119)</b>	<b>(192,507)</b>
<b>H. Net current financial indebtedness (G) - (D)</b>		<b>(288,468)</b>	<b>516,757</b>
I. Non-current financial liabilities	33	(555,972)	(410,308)
I. Non-current financial liabilities – non-current lease liabilities	34	(205,834)	(165,687)
J. Debt instruments	33	(1,095,791)	(1,594,979)
K. Trade payables and other liabilities	11-33	(167,689)	(10,807)
<b>L. Non-current financial indebtedness (I) + (J) + (K)</b>		<b>(2,025,285)</b>	<b>(2,181,781)</b>
<b>M. Net financial indebtedness (H) + (L)</b>		<b>(2,313,753)</b>	<b>(1,665,024)</b>

It should be noted that the item *K. Trade payables and other liabilities* includes the Tax Equity Partnership liability acquired as part of the Pinnacle business combination.

The table below shows the reconciliation between net financial indebtedness and the net financial indebtedness reported in the **Interim Directors' Report**.

(EUR thousand)	30/06/2024	31/12/2023
<b>Net financial indebtedness</b>	<b>(2,313,750)</b>	<b>(1,665,024)</b>
Exclusion of IFRS 16 impact (lease liabilities)	212,690	172,040
<b>Net financial indebtedness excluding IFRS 16</b>	<b>(2,101,060)</b>	<b>(1,492,985)</b>
Inclusion of positive fair value IRS financial derivatives	33,383	47,976
Exclusion of US Tax Equity Partnership liabilities	155,205	-
<b>Net Financial Indebtedness before IFRS 16 Directors' Report</b>	<b>(1,912,472)</b>	<b>(1,445,008)</b>

### Indirect and contingent indebtedness

In accordance with ESMA Guidelines, the description and nature of the Group's indirect and contingent indebtedness at 30 June 2024 is provided below.

The Group's indirect and contingent indebtedness at 30 June 2024 mainly refers to commitments to build assets over the next 12 months and amounts to approximately EUR 152 million, mainly attributable to the development of wind farms in France and the United Kingdom (approximately EUR 72 million), repowering and revamping projects on wind farms and photovoltaic systems in Italy for approximately EUR 60 million and the development of Storage projects in Italy for approximately EUR 7 million.

## NOTE 30 - CASH AND CASH EQUIVALENTS

This item, equal to EUR 304 million at 30 June 2024 (EUR 468 million at 31 December 2023), is made up of cash generated by the Group's assets, deposited with the banks of which the Group is a client, for an amount equal to EUR 283 million, in addition to the balance in the accounts of wind and solar companies owned by ERG Power Generation S.p.A. according to the restrictions on use set forth in the relative project financing agreements for an amount of approximately EUR 21 million. For further details on these Project Financings, please refer to **Note 33 – Current and non-current financial liabilities**.

The change in cash and cash equivalents is summarised in the **Statement of Cash Flows**.

## NOTE 31 - FINANCIAL ASSETS MEASURED AT FAIR VALUE

(EUR thousand)	30/06/2024	31/12/2023	Impact on Net Financial Indebtedness
Fair value derivatives hedging interest rates	21,865	17,207	
Fair value Virtual Power Purchase Agreements	26,964	16,907	
<b>Total non-current portion</b>	<b>48,829</b>	<b>34,115</b>	
Fair value derivatives hedging interest rates	11,518	30,770	
Fair value derivatives hedging electricity prices	12,256	15,166	
Fair value Virtual Power Purchase Agreements	-	861	
<b>Total current portion</b>	<b>23,773</b>	<b>46,796</b>	

The non-current portion, amounting to approximately EUR 49 million at 30 June 2024 (EUR 34 million at 31 December 2023), consists mainly of:

- the non-current portion of the positive fair value of ERG S.p.A.'s IRSs for approximately EUR 22 million (EUR 17 million at 31 December 2023);
- financial assets referring to the positive fair value of the VPPA in Italy subscribed during the period, equal to approximately EUR 27 million (EUR 17 million at 31 December 2023).

The current portion, amounting to approximately EUR 24 million at 30 June 2024 (EUR 47 million at 31 December 2023), consists mainly of:

- the current portion of the positive fair value of ERG S.p.A.'s IRSs for approximately EUR 12 million (EUR 31 million at 31 December 2023);
- financial assets referring to the positive fair value of commodity price risk hedging instruments, equal to approximately EUR 12 million (EUR 15 million at 31 December 2023).

## NOTE 32 - OTHER CURRENT FINANCIAL ASSETS

This item, amounting to EUR 89 million at 30 June 2024, entirely included in the net financial indebtedness (EUR 242 million at 31 December 2023), mainly consisted of short-term uses of liquidity of EUR 63 million (EUR 235 million at 31 December 2023) and approximately EUR 5 million of interest income accrued on these uses (EUR 4 million at 31 December 2023).

## NOTE 33 - CURRENT AND NON-CURRENT FINANCIAL LIABILITIES

(EUR thousand)	30/06/2024				31/12/2023			
	Carrying amount			Nominal amount	Carrying amount			Nominal amount
	Current portion*	Non-current portion	Total	Total	Current portion*	Non-current portion	Total	Total
Bonds issued	506,094	1,095,791	1,601,884	1,600,000	6,970	1,594,979	1,601,949	1,600,000
Loans and borrowings	5,560	418,855	424,415	420,000	4,156	329,073	333,229	330,000
Project Financing	31,618	137,117	168,724	169,032	16,837	81,234	98,071	98,397
<b>Total non-current liabilities</b>	<b>543,272</b>	<b>1,651,762</b>	<b>2,195,023</b>	<b>2,189,032</b>	<b>27,963</b>	<b>2,005,286</b>	<b>2,033,249</b>	<b>2,028,397</b>
Bank loans and borrowings	111,898	-	111,898	111,898	136,016	-	136,016	136,016
Other liabilities	19,094	12,484	31,589	31,589	22,175	10,808	32,983	32,983
<b>Total Other financial payables</b>	<b>130,992</b>	<b>12,484</b>	<b>143,487</b>	<b>143,487</b>	<b>158,191</b>	<b>10,808</b>	<b>168,999</b>	<b>168,999</b>
<b>Total financial liabilities</b>	<b>674,263</b>	<b>1,664,246</b>	<b>2,338,510</b>	<b>2,332,518</b>	<b>186,154</b>	<b>2,016,094</b>	<b>2,202,248</b>	<b>2,197,396</b>

(\*) The current portion of loans and borrowings includes the reversal of the IFRS 9 gain, if applicable.

It should be noted that at 30 June 2024, the Green Bond with a nominal value of EUR 500 million maturing on 11 April 2025 was reclassified into the current portion. The following table shows the composition in percentage terms of the outstanding nominal amount of non-current liabilities:

(EUR thousand)	30/06/2024	%	31/12/2023	%
<b>Non-current liabilities</b>				
Bonds issued	1,600,000	73%	1,600,000	79%
Loans and borrowings	420,000	19%	330,000	16%
Project Financing	169,032	8%	98,397	5%
	<b>2,189,032</b>	<b>100%</b>	<b>2,028,397</b>	<b>100%</b>

### Financial Strategy and Sustainable Finance

The ERG Group's financing strategy is focused on green and sustainable corporate finance instruments, in line with its development model. Indeed, confirming the Group's strong commitment to sustainable finance, in June 2024, ERG S.p.A. updated its Green Bond Framework, which was rated by the Second Party Opinion issued by Moody's Ratings, an independent external advisor, with the best possible result. The Second Party Opinion specifically certified the compliance of ERG S.p.A.'s Framework with the four pillars of the International Capital Market Association Green Bond Principles 2021 (including Appendix I from June 2022) and with the criteria of the EU Taxonomy. Lastly, the Framework is consistent with the 2024-2026 Business Plan.

The composition of funding sources confirms the Group's commitment to keeping at least 90% of the Group's funding sources sustainable as outlined in the 2022-2026 ESG plan.

Non-current liabilities <sup>(1)</sup>	30/06/2024	%	31/12/2023	%
Traditional sources of financing	169	8%	98	5%
Sustainable sources of financing	2,020	92%	1,930	95%
<b>Total Non-current financial liabilities</b>	<b>2,189</b>	<b>100%</b>	<b>2,027</b>	<b>100%</b>

(1) Including the current portion of non-current financial liabilities.

At 30 June 2024, the sources of Sustainable Finance, equal to EUR 2,020 million out of a total of financial sources equal to a nominal amount of EUR 2,188 million (EUR 1,930 million at 31 December 2023 out of a total of financial sources equal to a nominal amount of EUR 2,027 million), include:

- *Green Bonds*, for a total of EUR 1,600 million (amount unchanged from 31 December 2023), intended for the financing and refinancing of the construction and/or acquisition of wind and solar projects;
- Medium/long-term senior unsecured Sustainability-Linked loans, totalling EUR 420 million (nominal amount of EUR 330 million at 31 December 2023), which provide for a bonus mechanism linked to the achievement of a target in terms of installed renewable capacity and in terms of female participation in managerial positions within the Group.

Conversely, traditional financing sources, amounting to EUR 169 million (EUR 97 million at 31 December 2023), are entirely related to Project Financing for assets acquired or signed before 2019, linked to solar systems and wind farms in Italy, France, and Germany.

In addition to the above drawn financial sources, ERG S.p.A. has an ESG-linked Revolving Credit Facility in place, with a three-year term and the possibility of extension for a further year. The margin applied to the facility is subject to an adjustment mechanism based on the achievement of a target in terms of installed renewable capacity and in terms of female participation in managerial positions within the Group. This facility, amounting to EUR 600 million, was fully available at 30 June 2024.

At 30 June 2024, the weighted average interest rate on loans, borrowings and project financing, including hedging transactions, was 1.5%.

The **Bonds issued**, amounting to EUR 1,600 million at 30 June 2024 (unchanged compared to 31 December 2023), include:

Type of loan	ISIN	Coupon	Issue date	Expiry date	Issue price	Gross yield to maturity	Rating	Carrying amount	Nominal amount
Green Bond	XS1981060624	1.88%	11/04/2019	11/04/2025	99.67%	1.93%	Fitch: BBB-	501,448	500,000
Green Bond	XS2229434852	0.50%	11/09/2020	11/09/2027	99.21%	0.62%	Fitch: BBB-	498,971	500,000
Green Bond	XS2229434852	0.50%	23/12/2020	11/09/2027	101.10%	0.33%	Fitch: BBB-	100,694	100,000
Green Bond	XS2386650274	0.88%	15/09/2021	15/09/2031	99.75%	0.90%	Fitch: BBB-	500,771	500,000
<b>Total</b>								<b>1,601,884</b>	<b>1,600,000</b>

The liability for bonds is presented net of commissions and other borrowing costs for an amount of EUR 6.0 million. These costs were recognised in the income statement under financial expense in the first half of 2024 according to the amortised cost method in the amount of EUR 1.0 million, corresponding to the portion accrued for the period.

The carrying amount of the financial liability includes approximately EUR 7.9 million of interest accrued in the period.

It should be noted that in July 2024 ERG S.p.A. issued a new Green Bond for an amount of EUR 500 million with a duration of 6 years at a fixed rate, the details of which are shown in the table below.

Type of loan	ISIN	Coupon	Issue date	Expiry date	Issue price	Gross yield to maturity	Rating	Nominal amount	Valore nominale
Green Bond	XS2853679053	4,125%	03/07/2024	03/07/2030	99,52%	4,22%	Fitch: BBB-	500,000	500,000

**Loans and borrowings**, amounting to EUR 420 million at 30 June 2024 (EUR 330 million at 31 December 2023) refer to Sustainable bilateral linked loans, as detailed in the following table. It should be noted that the difference with respect to 31 December 2023 relates to the taking out of a new loan in the first quarter of 2024.

Disbursement	Type of loan	Maturity	Rate	Carrying amount	Nominal amount
2024	Sustainability bilateral linked loans	26/03/2029	IRS: Euribor 6M + Spread	90,707	90,000
2023	Sustainability bilateral linked loans	15/02/2028	IRS: Euribor 6M + Spread	100,922	100,000
2023	Sustainability bilateral linked loans	23/03/2028	IRS: Euribor 6M + Spread	131,786	130,000
2023	Sustainability bilateral linked loans	02/05/2028	IRS: Euribor 6M + Spread	100,502	100,000
<b>Total</b>				<b>423,917</b>	<b>420,000</b>

It should be noted that the loans indicated above are subject to interest rate hedges for 100% of the notional. The loans shown above are recognised net of ancillary charges recorded in the accounts using the amortised cost method (EUR 1.5 million) and including interest accrued for the period (EUR 0.4 million) calculated without taking into account interest rate hedging transactions.

**Project Financing**, amounting to EUR 169 million at 30 June 2024 (EUR 98 million at 31 December 2023), refers to:

- loans for EUR 74 million, with final maturity in November 2028, relating to the construction of a solar farm through an Italian company;
- loans amounting to EUR 18 million, with a final maturity of December 2038, granted for the construction of a wind farm through a German company;
- loans amounting to EUR 77 million with final maturity in December 2046, relating to the construction of a wind and solar portfolio in France, acquired in January 2024. This loan, which represents the main difference compared to 31 December 2023, was already in place on the acquired scope.

These loans are recognised net of ancillary expenses recognised using the amortised cost method (EUR 0.3 million).

**Project Financing** is guaranteed by the underlying asset. Please refer to the following section for a comment on any pertaining covenants and negative pledges.

**Bank loans and borrowings** equal to EUR 112 million include mainly short-term positions referred to current accounts of credit facilities.

**Other liabilities** for the non-current portion refer to deferred components of the acquisition consideration of companies abroad in the amount of approximately EUR 12 million, and for the current portion they refer mainly to financial liabilities recognised at the time of acquisition with a balancing entry of restricted cash in the amount of approximately EUR 17 million.

### Covenants and negative pledges

At the reporting date, all the covenants on the Group's loans had been satisfied.

The above-mentioned financial liabilities contain covenants typical of the financial market, which place limits on the financed company in line with the prevailing market practice for similar agreements.

These agreements contain also negative pledges, clauses that generally prohibit assets being used as collateral for any other third-party lenders and protect the creditor's right over the assets pledged by the debtor as a guarantee for repayment of the loan.

As regards commitments and guarantees issued in favour of lenders, these mainly refer to:

- i. the special lien on movable assets;
- ii. the mortgage of real estate;
- iii. the pledge on restricted current accounts;
- iv. the pledge on 100% of the share capital (including the pledge of 100% of the share capital of any subsidiaries).

The table below provides details on the financial parameters relating to the Group's loans/Project Financing.

Interim Financial Report 2024	2023 Consolidated Financial Statements	Project Financing/Loans	Compliance with covenant(s)	Event of Default	Remedies in case of Event of Default*
✓	✓	Windpark Linda GmbH Project Financing	✓	HDSCR less than 1.05x	✓
✓	✓	Andromeda PV S.r.l. Project Financing	✓	Historical Annual DSCR and Projected Annual DSCR greater than 1.10x	✓
✓	●	Project C.E.P.E. Renouvellement Haut Cabardès	✓	Historic DSCR less than 1.05x	✓
✓	✓	Corporate Loan February 2028 EUR 130,000,000	n/a		n/a
✓	✓	Corporate Loan March 2028 EUR 100,000,000	n/a		n/a
✓	✓	Corporate Loan May 2028 EUR 100,000,000	n/a		n/a
✓	●	Corporate Loan March 2029 EUR 90,000,000	n/a		n/a

LLCR: Loan Life Cover Ratio;  
 HDSCR: Historical Debt Service Coverage Ratio  
 FDSCR: Forecast Debt Service Coverage Ratio  
 \* Contractually established remedies that the Group can take to avoid default.

Key:  
 ✓ Present  
 ● Not present  
 n/a Not applicable

## NOTE 34 - LEASE LIABILITIES

Financial liabilities accounted for in accordance with IFRS 16 equal to EUR 213 million (EUR 172 million at 31 December 2023) of which EUR 206 million (EUR 166 million at 31 December 2023) non-current and EUR 7 million current (EUR 6 million at 31 December 2023).

The liability refers to the present value of payments due and not paid at the start date of the lease plus implicit interest accrued on said liability and less payments made during the period.

The increase mainly refers to the liability recognised for the acquisitions that took place during the period. For further details, please refer to **Note 43 – Business combinations**.

## NOTE 35 - FINANCIAL LIABILITIES MEASURED AT FAIR VALUE

(EUR thousand)	30/06/2024	31/12/2023	Impact on Net Financial Indebtedness
Fair value Virtual Power Purchase Agreements	122,540	5,830	
<b>Total non-current portion</b>	<b>122,540</b>	<b>5,830</b>	
Fair value of derivatives hedging exchange rate	-	2,349	
Fair value Virtual Power Purchase Agreements	1,439	530	
Fair value derivatives hedging electricity prices	2,048	3,030	
<b>Total current portion</b>	<b>3,487</b>	<b>5,908</b>	

The non-current portion, equal to EUR 123 million (EUR 6 million at 31 December 2023) includes the negative fair value of the PPAs/VPPAs in Spain, the USA and France, including the non-current portion of the fair values measured at initial recognition in the scope of the related business combinations.

The current portion of EUR 3 million (EUR 6 million at 31 December 2023) consists of:

- liabilities related to the negative fair value of commodity price risk hedging instruments amounting to approximately EUR 2 million (EUR 3 million at 31 December 2023), which do not fall under the classification of financial liabilities and are therefore not included in the net financial indebtedness;
- the portion to be released in the short term of liabilities referring to the negative fair values initially recognised as part of the related PPA/VPPA business combinations in Spain and France, equal to approximately EUR 1 million (EUR 0.5 million at 31 December 2023).

## NOTE 36 - NET FINANCIAL INCOME (EXPENSE)

(EUR thousand)	1st half 2024			1st half 2023		
	Financial income	Financial expense	Net	Financial income	Financial expense	Net
Bank interest income (expense) on current accounts	10,496	(1,153)	9,342	7,297	(10)	7,287
Financial income (expense) on interest rate derivatives - differential	7,489	(1,071)	6,418	5,910	(699)	5,211
Interest expense to third parties on loans/borrowings	-	(17,832)	(17,832)	-	(14,361)	(14,361)
Interest expense on project financing	-	(3,879)	(3,879)	-	(3,705)	(3,705)
Liability management transactions	-	-	-	1,851	(5,512)	(3,661)
<b>Liquidity management/Cost of debt</b>	<b>17,985</b>	<b>(23,936)</b>	<b>(5,951)</b>	<b>15,059</b>	<b>(24,288)</b>	<b>(9,230)</b>
Derivative financial income (expenses) - change in fair value	18,561	(17,001)	1,559	98,703	(98,640)	62
Other financial income (expense)	6,020	(2,576)	3,444	4,585	(2,738)	1,847
Exchange gains (losses)	1,167	(1,005)	163	115	(58)	57
Interest expense on lease liabilities	-	(4,474)	(4,474)	-	(3,401)	(3,401)
Financial expense on US Tax Equity Partnership liabilities	-	(2,889)	(2,889)	-	-	-
Amortised cost on loans, borrowings and project financing	-	(1,189)	(1,189)	-	(1,307)	(1,307)
Effect of loan renegotiations – IFRS 9	-	-	-	128	(992)	(864)
<b>Other income (expense)</b>	<b>25,748</b>	<b>(29,134)</b>	<b>(3,387)</b>	<b>103,530</b>	<b>(107,136)</b>	<b>(3,605)</b>
<b>Total</b>	<b>43,732</b>	<b>(53,070)</b>	<b>(9,338)</b>	<b>118,589</b>	<b>(131,424)</b>	<b>(12,835)</b>

The **Interest expense to third parties on loans/borrowings** and **Interest expense on project financing** included in the cost of debt represent the portion of financial expense relating to contractual interest, while their adjustment to the effective interest rate is represented by the items **Effect of loan renegotiations – IFRS 9** and **Amortised cost on loans, borrowings and project financing**. The change in interest expense is mainly due to the significant increase

in interest rates compared to the comparative period. This change is effectively hedged under the item **Financial income (expenses) on interest rate derivatives – differential**. In addition, the strong growth in interest rates has also made it possible to invest with significant returns and to remunerate the Group's liquidity; the income from these investments is included in the item **Bank interest income (expense) on current accounts**.

The item **Liability management transactions** (EUR 4 million in the first half of 2023) includes the non-recurring expense linked to the closure, in the previous period, of some Project Financing of some operating wind and solar companies, including related renegotiation effects on loans in application of IFRS 9, as well as the partial extinguishment of the fair value related to derivative financial instruments, where applicable, hedging related interest rates.

**Derivative financial income (expense) – change in fair value** refers to the change in fair value of some commodity derivative financial instruments. The gross values of income and expenses represented reflect the technical purchase and sale transactions and are of a significant amount due to the variability of the energy scenario. It should be noted that the net result of the aforementioned transactions is not significant, in line with the objectives set in the policy and with previous years.

The item **Financial expense on US Tax Equity Partnership liabilities** represents the financial expense deriving from the discounting of the total amount due to the Partner at the expected internal rate of return.

**Other financial income (expense)** mainly includes capitalised financial interest for farms under construction, financial expenses on the decommissioning provision, and bank fees.

## NOTE 37 - FINANCIAL INSTRUMENTS

The following table shows, for each financial asset and liability, the carrying amount and the fair value. Information on the financial assets and liabilities not measured at fair value is excluded, when the carrying amount represents a reasonable approximation of fair value.

30/06/2024

(migliaia di Euro)	Fair value – Hedging instruments	FVTPL instruments – other	Financial as- sets measured at amortised cost	Other financial liabilities	Total Carrying Amount	Fair value	Level 1	Level 2	Level 3
Equity investments									
Other non-current financial assets	-	-	47,792	-	47,792	47,792	-	47,792	-
Interest rate swap	33,383	-	-	-	33,383	33,383	-	33,383	-
Commodity derivatives*	12,336	-	-	-	12,336	12,336	-	12,336	-
Virtual Power Purchase Agreements	26,964	-	-	-	26,964	26,964	-	-	26,964
Other current financial assets	-	-	100,909	-	100,909	100,909	-	100,909	-
Trade receivables	-	-	136,243	-	136,243	136,243	-	-	-
Other assets	-	-	169,823	-	169,823	169,823	-	169,823	-
Cash and cash equivalents	-	-	303,851	-	303,851	303,851	-	-	-
<b>Total assets</b>	<b>72,683</b>	<b>1,747</b>	<b>758,618</b>	<b>-</b>	<b>833,048</b>	<b>833,048</b>			
Loans and borrowings	-	-	-	424,415	424,415	337,396	-	337,396	-
Bonds	-	-	-	1,601,884	1,601,884	1,666,722	-	1,666,722	-
Non-recourse project financing	-	-	-	168,724	168,724	102,306	-	102,306	-
Current bank loans and borrowings	-	-	-	111,898	111,898	111,898	-	111,898	-
Financial liabilities	-	-	-	31,589	31,589	31,589	-	31,589	-
Virtual Power Purchase Agreements	123,979	-	-	-	123,979	123,979	-	-	123,979
Trade payables	-	-	108,200	-	108,200	108,200	-	-	-
Other liabilities	-	-	-	82,918	82,918	82,918	-	82,918	-
<b>Total liabilities</b>	<b>123,979</b>	<b>-</b>	<b>108,200</b>	<b>2,578,321</b>	<b>2,810,499</b>	<b>2,721,888</b>			

(\*) the item does not include the fair value of the futures for which cash settlement of open positions is also envisaged (for which the relative fair value cannot be found in the statement of financial position as it has already been settled) amounting to approximately EUR 1 million.

To determine the market value of these instruments, ERG uses various models for measuring and valuation, as summarised below:

Type	Instrument	Pricing model	Calculation tool	Market data used	Data provider	IFRS 7 hierarchy
Interest Rate derivatives	Interest Rate Swap	Discounted Cash Flow	- MS Excel - FINCAD XL	- Deposit rates (EURIBOR) - Swap rates	Refinitiv Eikon	Level 2
	Interest Rate Option (Cap, Floor)	Black & Scholes	- MS Excel - FINCAD XL	- Deposit rates (EURIBOR) - Swap rates - Implied volatility of rates	Refinitiv Eikon	Level 2
Commodity derivatives	Commodity Swap	Discounted Cash Flow	- MS Excel - FINCAD XL	- Official spot quotes on reference commodities	Refinitiv Eikon	Level 2
	Commodity Futures	Strumento quotato		- Official settlement prices - Source: EEX	EEX via Refinitiv Eikon	Level 1
	Contract for Difference (CfD)	Discounted Cash Flow	- MS Excel - FINCAD XL	- Forward national single price quoted on the OTC market - Zero coupon curve on the Euro	EEX via Refinitiv Eikon Refinitiv Eikon	Level 2
	Virtual Power Purchase Agreement (VPPA) <sup>(1)</sup>	Discounted Cash Flow Metodo Monte Carlo	- MS Excel - FINCAD XL	- Official spot/forward prices of reference commodities - Historical volatility of the reference commodities - Zero coupon curve of the reference currency - ECB spot exchange rates	Refinitiv Eikon	Level 3
Foreign exchange derivatives	Forward purchase/sale (Outright, FX Forward)	Discounted Cash Flow	- MS Excel - FINCAD XL	- Short-term (deposit rates) and medium/long-term interest rates (swap rates) for both reference currencies. - ECB spot exchange rates	Refinitiv Eikon	Level 2

(1) Since these are instruments with average delivery terms of more than 10 years, if for long-term maturities there are no easily identifiable price quotations in the active market and therefore the price of the last available maturity date has to be replicated, the fair value at the date of initial recognition is estimated, with no accounting impact in the financial statements, and at each closing date the difference between the fair value at the valuation date and the estimated fair value at the date the contract was signed is recognised. The initial fair value of certain VPPAs and other similar fixed-price long-term contracts acquired as part of business combinations is recorded by reversing it to revenue over the remaining period to which the value relates.

It should be noted that for instruments measured with Level 3 inputs, the impact recognised in the income statement for the period amounted to approximately EUR 6.0 million under revenue and approximately EUR 0.6 million under other revenue. The impact on the statement of comprehensive income for the period amounted to approximately EUR 7.2 million as an increase in the hedging reserve.

It should also be noted that the non-observable elements refer to the long-term points of the forward curve of electricity prices; the sensitivity of the changes in this final part of the curve is marginal, the short end of the curve based on observable inputs being predominant.

## NOTE 38 - FINANCIAL RISK DISCLOSURE

The ERG Group attaches great importance to identifying and measuring risks and to the related controls, in order to ensure efficient management of the risks it runs. Consistently with this objective, an advanced Risk Management system was adopted that assures, in compliance with the existing policies on the topic, the identification, measurement and central level control for the entire Group of the degree of exposure to individual risks.

The Group Risk Management & Corporate Finance function ensures consistency with the assigned risk limits and provides adequate support with its own analyses, both to individual subsidiaries and to the Risk Committee and Top Management of the Parent, for strategic decisions.

### Market risk

This comprises currency risk, interest rate risk and commodity price risk. The management of these risks is regulated by the guidelines provided in the Group Policy and by internal procedures in the Finance area.

Moreover, specific risk management policies and procedures have been developed, based on industry best practices, for the continuous measurement of exposure levels with respect to a Risk Capital value allocated by the parent.

### Market risk – interest rate

This risk identifies the change in future interest rate trends that may cause higher costs for the Group. Containment of the interest rate risk is pursued by using derivative contracts such as Interest Rate Swaps and Interest Rate Options (plain vanilla).

### Market risk – commodity

Commodity price risk consists in unexpected fluctuations in the prices of raw materials, of procurement of services, of finished products and services provided for sale on the open market.

The Group implements all risk management strategies necessary to avoid the economic damages deriving from the volatility of the price for the sale and purchase of Electricity and from fluctuations in the Clean Spark Spread.

### Market risk – exchange rate

It identifies the unexpected future change in exchange rates that could determine higher costs for the Group (transaction risk), or impacts on the Condensed Interim Consolidated Financial Statements due to the conversion of assets and liabilities of companies that prepare their financial statements in another currency (translation risk). The management of currency risk consists mainly of its acceptance, given the small exposure the Group has as of the date of approval of this policy. Warning levels and the possible use of derivative financial instruments to hedge risk are in place. The Group also adopts a strategy based on pursuing a balance between assets and liabilities in foreign currencies, thus minimising net exposure, and financing M/L-term investments in local currencies, the profitability and cash flows of which are mainly expressed in that currency.

In the case of extraordinary transactions, it may be necessary to hedge against the variability of the exchange rate between the date of the decision to enter into a financial asset (coinciding with the trading of a derivative instrument) and the actual entering into of that financial asset, when deemed highly probable.

For the other main risks identified and actively managed by the ERG Group (Credit risk and liquidity risk), please refer to the 2023 Annual Financial Report.

### Derivative instruments used

Le principali tipologie di strumenti derivati adottati nella gestione dei rischi finanziari, con il solo fine di copertura, sono quelle sotto riportate:

The main types of derivative instruments adopted in the management of financial risks, solely for hedging purposes, are as follows:

**Options:** a contract whereby one of the parties, on payment of a sum to the other (premium), acquires the right to buy (call option) or sell (put option), at a future date, a certain quantity of financial instruments (underlying asset) at an established price (exercise or strike price).

**Forward contracts:** contracts for the purchase or sale between two parties of a certain financial instrument (the underlying asset) at a future date and at a price fixed at the time the contract is stipulated; this category also includes futures contracts, which unlike forward contracts are standardised, negotiated in lots and for predetermined maturity dates within regulated markets.

**Swap/CfD (Contract for Difference):** contract that determines, between two parties, the swap of flows of payments at certain dates. Payments can be expressed in the same currency or in different currencies and their amount is determined in relation to an underlying asset.

The derivatives entered into by ERG and designed to hedge the exposure to financial risks existing at 30 June 2024 are:

#### Interest Rate derivatives

- Interest Rate Option instruments that make it possible to set upper limits (cap) and lower limits (floor) to interest rate fluctuations relating to loans indexed to a variable rate;
- Interest Rate Swap instruments, including Prehedge instruments, to bring bank loans with fixed and variable rate to the risk profile deemed most appropriate. IRS contracts provide that the counterparties, with reference to a defined

notional value and to pre-set maturities, mutually exchange interest flows calculated in relation to fixed rates or to variable rate parameters agreed previously;

### Commodity derivatives

- CfDs are used to hedge the risk of electricity price fluctuations; via this instrument it is possible to buy or sell block quantities of electricity by paying on maturity the difference between the price agreed to in the contract and the market price reported in the reference period;
- Futures instruments used to manage the volatility risk of electricity prices; this instrument makes it possible to purchase or sell a certain amount of energy at a certain price in a pre-established future period. The futures used have both monthly and cascading maturities (annual, half-yearly, quarterly, etc.);
- electricity contracts with physical delivery are stipulated on the wholesale energy market and measured at fair value as part of sales transactions with derivative financial instruments as a counter-entry;
- financial or "virtual" Power Purchase Agreements (VPPAs), entered into in order to stabilise the revenue structure with counterparties whereby on delivery dates a payment based on the price defined in the agreement is exchanged for a variable price, without the physical transfer of the underlying electricity.

### Foreign exchange derivatives

- outright forwards, which are used to hedge against exchange rate fluctuations between the date of the decision to enter into a financial asset (coinciding with the negotiation of the derivative that is the subject of this HDR) and the actual entering into that financial asset.

### Hedge accounting

*The Group uses derivative financial instruments to hedge its exposure to interest rate risks and commodity price risk. Furthermore, any derivative embedded in a hybrid contract is separated and measured at fair value, when the derivative contract meets the definition of a derivative and is not strictly related to the host contract.*

*At the start of the designated hedging relationship, the Group documents the risk management objectives and the strategy in implementing the hedge, as well as the economic relationship between the hedged item and the hedging instrument and it is expected that changes in cash on hand of the hedged element and in the hedging instrument will mutually offset.*

*When a derivative financial instrument is designated as an instrument to hedge the exposure to the variability of cash flows, the effective portion of the fair value gain or loss on the derivative financial instrument is recognised in other comprehensive income and presented in the hedging reserve. The effective portion of the fair value gain or loss on the derivative financial instrument that is recognised in other comprehensive income is limited to the cumulative change in the fair value of the hedged instrument (at the present value) from the start of the hedge. The ineffective portion of the fair value gain or loss on the derivative financial instrument is recognised immediately in profit or loss for the period.*

*In a hedging relationship, the Group designates as a hedging instrument only the fair value change of the spot element of the forward contract as a hedging instrument in a cash flow hedging relationship. If the hedge ceases to meet the qualifying criteria or the hedging instrument is sold, terminates or is exercised, hedge accounting is discontinued prospectively.*

*When the cash flow hedge transactions cease being reported, the cumulative gain or loss in the hedging reserve remains in equity un-*

*til, in the case of a hedge of a transaction that entails the recognition of a non-financial asset or liability, it is included in the cost of the non-financial asset or liability at initial recognition or, in the case of the other cash flow hedges, it is reclassified to profit or loss for the period in the same period or periods in which the hedged expected future cash flows have an effect on profit or loss for the period.*

*Where cash flow hedges are no longer expected, the amount must be reclassified immediately from the hedging reserve and from the reserve for hedging costs to profit or loss for the period.*

*A hedging relationship is effective if and only if it meets the following requirements:*

- *existence of an economic relationship between the hedging instrument and the hedged item;*
- *the credit risk is not dominant with respect to the changes in value; and*
- *the hedge ratio is the same one used for risk management purposes, i.e. the hedged quantity of the hedged element and the quantity of the hedging instrument used to cover the hedged item.*

*The Group carries out the basis adjustment, reclassifying the effective result of the hedge to adjust the initial recognition value of the hedged item, in the case of cash flow hedges of non-financial elements. However, for all cash flow hedges, including those of transactions involving the recognition of a non-financial asset or liability, the cumulative gain or loss in the hedging reserve was reclassified to profit or loss for the period in the same period or in the same periods in which the hedged expected future cash flows have an effect on profit or loss.*

### Summary of derivative instruments used

The derivatives entered into by ERG, designed to hedge its exposure to commodity prices and interest rate risks, were as follows at 30 June 2024:

	Notional value				30 June 2024	
	Maturity 1 year	Maturity from 1 year to 5 years	Maturity beyond 5 years	Total Nominal	Assets	Liabilities
<i>(EUR million)</i>						
<b>Management of interest rate risk</b>						
- Cash flow hedge	3	332	141	477	33.4	0.0
<i>thousands of MWh</i>						
<b>Management of commodity price risk</b>						
- Cash flow hedge	1,507	5,693	8,106	15,305	39.3	115.5
<b>Total derivative instruments</b>					<b>72.6</b>	<b>115.5</b>
- of which in cash flow hedge					72.6	115.5
- of which not in cash flow hedge					-	-

With reference to the impact of hedging derivatives on the net comprehensive income, please refer to the **Statement of comprehensive income**.

## NOTE 39 - GUARANTEES, COMMITMENTS AND RISKS

### Sureties given (EUR 812 million)

These are mainly guarantees issued in favour of third parties, also on behalf of Group companies, guaranteed by the parent ERG S.p.A.

### Other guarantees and commitments made (EUR 13 million)

The other guarantees and commitments made refer mainly to commitments related to the Group's information systems.

## VI. TAXATION

### NOTE 40 - INCOME TAXES

#### Relevant information on the accounting standards adopted and recognition and measurement criteria

##### Current taxes

Current taxes are recognised based on the estimated tax burden for the period, also taking into account the effects relating to the participation of most Group companies in the Tax Consolidation.

The Group has determined that the interest and penalties relating to income taxes, including the accounting treatments to be applied to income taxes of an uncertain nature, are accounted for in accordance with IAS 37 Provisions, Contingent Liabilities and Contingent Assets as they do not meet the definition of income taxes.

The amount of taxes due or to be received, determined on the basis of the tax rates in force or substantially in force at the end of the period, also includes the best estimate of any amount to be paid or received which is subject to factors of uncertainty.

The rate used to calculate current taxes for the Italian companies is the same as the nominal IRES (corporate income tax) rate (24%), increased, where so prescribed, by the IRAP (regional income tax) rate (3.90% - 4.82% - 5.57%).

The rates for foreign companies consolidated on a line-by-line basis are as follows:

France 25%;

Germany 26.6% - 32.2%;

UK 19% (25% from 1 April 2023);

Romania 16%;

Poland 19%;

Bulgaria 10% (15% from 1 January 2024 for groups subject to Pillar 2);

Sweden 20.6%;

Spain 25%;

United States (Federal Tax + State Tax) 29.8% - 30.5%.

On 22 December 2022, the text of Directive no. 2022/2523/EU was published in the Official Journal of the European Union, which provides for the transposition into EU legislation of the rules on the Global Minimum top-up Tax envisaged by Pillar 2 prepared by OECD as part of Action 1 of the BEPS ("Base Erosion and Profit Shifting") project. The objective of the Directive is to limit harmful tax competition between States, setting the minimum level of effective taxation (Effective Tax Rate – ETR) at 15%, at the aggregate level for each individual State, through the application of a possible supplementary tax (Top-Up-Tax – TUT).

Based on the provisions of the Directive, the new legislation must be transposed into the law of the Member States of the European Union by 31 December 2023 and enters into force from tax year 2024. In Italy, Directive 2022/2523/EU was transposed into national law with Italian Legislative Decree no. 209 of 27 December 2023, which entered into force on 29 December 2023.

It should be noted that a "Qualified Domestic Minimum Tax" was introduced in Bulgaria, the only country in which the Group operated with an Effective Tax rate below 15%, adjusting the minimum tax level to 15% for groups subject to Pillar 2 from 2024.

For details on **Deferred taxes**, reference is made to the comments in the following Notes.

(EUR thousand)	1st half 2024	1st half 2023	Change
Current income taxes	78,015	35,092	42,923
Previous years taxes	1,189	(404)	1,593
Deferred tax assets and liabilities	(71,761)	(2,188)	(69,574)
<b>TOTAL</b>	<b>7,443</b>	<b>32,501</b>	<b>(25,057)</b>

### NOTE 41 - CURRENT TAX ASSETS AND LIABILITIES

**Current tax assets** of EUR 32 million (EUR 35 million at 31 December 2023) mainly refer to advance payments on direct taxes for the first half of 2024.

**Current tax liabilities** of EUR 60 million (EUR 40 million at 31 December 2023) mainly refer to tax liabilities on direct taxes for the first half of 2024.

## NOTE 42 - DEFERRED TAXATION

**Deferred tax assets**, amounting to EUR 106 million (EUR 41 million at 31 December 2023), are determined by the carry-forward of tax losses, as well as by temporary differences relating mainly to amortisation, depreciation and impairment losses and provisions for risks and charges.

The increase was mainly due to the impact on the consolidated financial statements of the alignment of the carrying amounts arising from the Siena and Donatello Business Combinations in 2022 and their merger in 2023 with their tax basis.

The Group considers it reasonably certain that the deferred tax assets recognised at 30 June 2024 will be recovered.

**Deferred tax liabilities**, amounting to EUR 239 million (EUR 192 million at 31 December 2023) refer in particular to temporary differences generated by Purchase Price Allocations of past and current acquisitions.

## VII. OTHER NOTES

### NOTA 43 - BUSINESS COMBINATION

#### **Relevant information on the accounting standards adopted and recognition and measurement criteria**

Business combinations are accounted for using the acquisition method. The consideration transferred is measured at fair value and includes all contingent considerations at the acquisition date. Subsequent changes in the fair value of contingent considerations are recognised in the income statement, in compliance with applicable standards.

Goodwill, recognised at the date of acquisition of control, is equal to the difference between:

- the consideration transferred, the amount of any non-controlling interest in the acquiree measured in accordance with IFRS 3 (fair value of the pro-rata share of equity attributable to non-controlling interests);
- the net of the amounts of the identifiable assets acquired and the liabilities assumed, measured at fair value.

The costs related to the acquisitions are recognised as expenses

in the periods in which they are incurred.

In the case of acquisition of operational (wind or photovoltaic) farms, in order to identify whether the object of the acquisition is a business according to the definition provided by IFRS 3, it is necessary to determine whether substantial processes have been acquired.

As part of this consideration, in the view of the Group's management, O&M activities are a critical process for the functioning of the farms, as these could not produce output or maintain the level of production without continuous O&M activities.

In the case of acquisition of projects (e.g. objects that do not yet generate outputs), the Group deems that the conditions for considering these transactions as business combinations are not met. Consequently, project acquisitions will be accounted for as asset acquisitions.

#### **"Falcon" business combination**

On **29 January 2024**, ERG through its direct subsidiary ERG Eolienne France SAS completed the acquisition from QEnergy France SAS of 100% of CEPE Renouvellement Haut Cabardès SAS, a company that owns a 73.2-MW wind and solar portfolio in France. In particular, the portfolio of plants subject to the acquisition consists of two photovoltaic farms in operation, totalling 20.4 MW of capacity, one in an advanced stage of construction of approximately 28.8 MW, and a 24-MW wind farm that came into operation at the end of 2023 following a repowering operation. The total estimated output is around 125 GWh annually.

The electricity generated by the photovoltaic system being completed will benefit from a 15-year "pay as produced" Power Purchase Agreement (PPA) with a leading corporate counterparty.

As per the press release of 28 December 2023, the enterprise value of the transaction was approximately EUR 86 million, with an equity value of approximately EUR 17 million.

The transaction is a business combination pursuant to the definition provided by IFRS 3. To this end, it should be noted that the scope of acquisition includes plants, Operation & Maintenance contracts, PPAs and CfDs, and land lease contracts. These contracts represent critical processes for the operation of the farms. The O&M contract, in particular, allow access to an organised workforce that carries out processes that are key to the ability of wind farms to continue producing output.

This document reflects the impacts of the consolidation of the companies acquired as from 1 January 2024.

#### **Determination of the total acquisition price**

The acquisition consideration was EUR 6 million for the acquisition of 100% of the share capital of the target companies, including deferred components of the acquisition consideration (call options on third-party shareholders in the companies that own the photovoltaic plants in operation). It should also be noted that a net financial position totalling EUR 86 million was assumed, including the shareholder loan. It should be specified that the acquisition-related costs incurred by the Group amounted to EUR 0.4 million, related to legal fees and due diligence costs incurred in the period 2023. These costs were included in the Services and other operating costs item in the respective period.

#### **Measurement of the assets and liabilities of the business combination at the acquisition date**

The acquisition was recognised on a provisional basis; the fair values of the acquired assets were determined on the basis of the best estimate available at the preparation date of the condensed interim consolidated financial statements and are present in the table below:

## Impact of Falcon consolidation

(EUR thousand)	Acquisition figures	Adjustment to the acquisition figures	Assets acquired and liabilities assumed
Authorisations and concessions	-	21,816	21,816
Property, plant and equipment	86,621	(5,660)	80,961
Right-of-use assets	6,658		6,658
Other non-current financial assets	40		40
Deferred tax assets	-	8,691	8,691
<b>Non-current assets</b>	<b>93,319</b>	<b>24,846</b>	<b>118,165</b>
Inventories	143		143
Trade receivables	418		418
Other current assets	4,366	-	4,366
Cash and cash equivalents*	1,098		1,098
<b>Current assets</b>	<b>6,025</b>	<b>-</b>	<b>6,025</b>
<b>TOTAL ASSETS</b>	<b>99,344</b>	<b>24,846</b>	<b>124,190</b>
Equity attributable to the owners of the parent	8,310	(10,438)	(2,129)
Non-controlling interests	-	1,687	1,687
<b>Total Equity</b>	<b>8,310</b>	<b>(8,751)</b>	<b>(442)</b>
Deferred tax liabilities	-	5,513	5,513
Provisions for dismantling expenses	2,426	844	3,270
Other non-current provisions	-	3,178	3,178
Instruments measured at fair value	-	20,205	20,205
Non-current financial liabilities*	65,270	-	65,270
Non-current lease liabilities*	6,449	-	6,449
Other non-current liabilities	-	-	-
<b>Non-current liabilities</b>	<b>74,145</b>	<b>29,739</b>	<b>103,884</b>
Trade payables	3,259	3,596	6,855
Current financial liabilities*	13,169	-	13,169
Current lease liabilities*	209	-	209
Current tax liabilities	253	-	253
<b>Current liabilities</b>	<b>16,890</b>	<b>3,596</b>	<b>20,486</b>
<b>TOTAL EQUITY AND LIABILITIES</b>	<b>99,344</b>	<b>24,584</b>	<b>123,928</b>
<b>*Impact on Net Financial Indebtedness</b>	<b>(83,998)</b>	<b>(1,556)</b>	<b>(85,554)</b>

The **Acquisition figures** column shows the opening balances determined on the basis of the accounting records at the date of first-time consolidation (1 January 2024) of the acquirees expressed in accordance with the IFRS:

- **property, plant and equipment:** wind farms and photovoltaic systems under construction, including those recognised at acquisition cost including ancillary costs, costs directly attributable to the asset and adjusted by the related accumulated depreciation and capitalisation of dismantling costs;
- **right-of-use assets:** recognition of the right of use on land according to the provisions of IFRS 16;
- **cash and cash equivalents:** cash on hand held in current accounts;
- **provision for dismantling charges:** provisions for dismantling expenses accounted for as a balancing entry to the increase in the carrying amount of the asset;
- **non-current financial liabilities:** medium-long term portion of bank borrowings for project financing and recording of accrued interest;
- **lease liabilities:** recognition of the present value of payments due for the right of use of land;
- **trade payables:** payables to suppliers in connection mainly with the construction of the photovoltaic system;

- **current financial liabilities:** Shareholder loan to ERG Eolienne France SAS.

the following fair values determined on a provisional basis were included in the column **Adjustment to the acquisition figures:**

- **intangible assets:** gain allocated upon recognition of the acquisition; this gain was posted to the item "Authorisations and Concessions" taking into account a time horizon of future economic benefits of 40 years for the solar business and 35 years for the wind business;
- **property, plant and equipment:** the item specifically includes the fair value adjustment of certain property, plant and equipment related to the solar business;
- **instruments measured at fair value:** includes the positive fair value of the derivatives hedging the interest rate of the project financing;
- **other non-current liabilities:** related to the recognition of the estimated fair value at the date of initial recognition of long-term fixed-price energy sales contracts (PPAs and CfDs);
- **deferred tax assets and liabilities** related to the allocation referred to above;
- **other non-current provisions:** recognition of charges for contingent liabilities determined at the time of acquisition.

### Determination of goodwill

The difference between the total acquisition price and the fair value of the acquired assets and liabilities was recognised as goodwill, as illustrated in the following table:

(EUR thousand)

Acquisition consideration (including deferred components)	5,567
Fair value of the acquired net assets	(442)
<b>Goodwill</b>	<b>6,009</b>

### Falcon contribution in the first half of 2024

The date of first consolidation (1 January 2024) corresponds to the opening date of these Condensed Interim Consolidated Financial Statements; therefore, the acquired company fully contributed to the Group's Income Statement during the period with revenue of EUR 2 million, an EBITDA of EUR 1 million, and a loss for the period attributable to the owners of the parent of EUR 2 million. It should be noted that the scope includes a 28.8-MW photovoltaic system in operation since the end of June, which did not make a material contribution to the Group's revenue at 30 June 2024.

### "Pinnacle" business combination

On **24 April 2024**, ERG through its subsidiary ERG USA Holding, Inc. completed the acquisition from Apex Clean Energy Holdings, LLC – a leading independent US developer of clean energy with which ERG has a strategic partnership – of 75% of Project Pinnacle I, LLC, a company that owns a portfolio consisting of a wind farm and a solar system in the USA, both in operation respectively from 2023 and the second half of 2022, for a total of 317 MW of installed capacity and an estimated production of approximately 1 TWh.

Specifically, the portfolio includes a 224.4-MW onshore wind farm in Iowa, with an estimated annual output of over 800 GWh, and a 92.4-MW photovoltaic system in Illinois, expected to generate over 150 GWh annually, equivalent to a total of 387 kt of CO<sub>2</sub> avoided. Both plants are part of the Midcontinent Independent System Operator (MISO), the largest US electricity market in terms of geographical area and second largest in terms of installed capacity. The two plants benefit from Tax Equity agreements with financial counterparties and will be debt-free at closing. Revenue is secured by long-term sales contracts (PPAs) signed with leading corporate counterparties.

The transaction is a business combination pursuant to the definition provided by IFRS 3. To this end, it should be noted that the scope of acquisition includes plants, Operation & Maintenance contracts, PPAs, agreements with Tax Equity Partners within the incentive systems in place, and land lease contracts. These contracts represent critical processes for the operation of the farms. The O&M contract, in particular, allow access to an organised workforce that carries out processes that are key to the ability of wind farms to continue producing output.

This document reflects the impacts of the consolidation of the companies acquired as from 1 April 2024.

### Determination of the total acquisition price

The acquisition price was EUR 245 million (USD 268 million) for the acquisition of 75% of the share capital of the acquiree.

It should be noted that the acquisition consideration in Euro is presented net of the positive effect of the exchange rate hedge between the Signing of 21 December 2023 and the Closing of 24 April 2024 of approximately EUR 6 million.

It should also be noted that the net financial position consisted mainly of cash and cash equivalents for a net total of EUR 10 million.

Finally, it is specified that the acquisition-related costs incurred by the Group totalled EUR 6.1 million, of which EUR 1.6 million incurred in financial year 2023, related to legal fees and due diligence costs. These costs were included in the Services and other operating costs item in the respective periods.

### Measurement of the assets and liabilities of the business combination at the acquisition date

The acquisition was recognised on a provisional basis; the fair values of the acquired assets were determined on the basis of the best estimate available at the preparation date of the condensed interim consolidated financial statements and are present in the table below:

### Impact of Pinnacle consolidation

(EUR thousand)	Acquisition figures	Adjustment to the acquisition figures	Assets acquired and liabilities assumed
Authorisations and concessions	-	181.578	181.578
Other intangible assets	812	-	812
Property, plant and equipment	425.782	-	425.782
Right-of-use assets	34.367	-	34.367
Deferred tax assets	28.068	-	28.068
<b>Non-current assets</b>	<b>489.030</b>	<b>181.578</b>	<b>670.607</b>
Trade receivables	3.211	-	3.211
Other current assets	11.663	-	11.663
Cash and cash equivalents*	26.563	-	26.563
<b>Current assets</b>	<b>41.437</b>	<b>-</b>	<b>41.437</b>
<b>TOTAL ASSETS</b>	<b>530.466</b>	<b>181.578</b>	<b>712.044</b>
Equity attributable to the owners of the parent	179.111	53.299	232.410
Non-controlling interests	-	77.470	77.470
<b>Total Equity</b>	<b>179.111</b>	<b>130.769</b>	<b>309.880</b>
Deferred tax liabilities	20.725	50.809	71.533
Provision for dismantling expenses	6.153	-	6.153
Instruments measured at fair value	99.879	-	99.879
Non-current lease liabilities*	34.026	-	34.026
Other non-current liabilities	171.783	-	171.783
<b>Non-current liabilities</b>	<b>332.565</b>	<b>50.809</b>	<b>383.373</b>
Trade payables	1.882	-	1.882
Current financial liabilities*	16.431	-	16.431
Current lease liabilities*	477	-	477
<b>Current liabilities</b>	<b>18.790</b>	<b>-</b>	<b>18.790</b>
<b>TOTAL EQUITY AND LIABILITIES</b>	<b>530.466</b>	<b>181.578</b>	<b>712.044</b>
<b>*Impact on Net Financial Indebtedness</b>	<b>(24.371)</b>	<b>-</b>	<b>(24.371)</b>

\*\*The US Tax Equity Partnership liabilities of EUR 155 million impacts the Net Financial Position reclassified in accordance with CONSOB Warning Notice no. 5/21 of 29 April 2021.

The **Acquisition figures** column shows the opening balances determined on the basis of the accounting records at the date of first-time consolidation (1 April 2024) of the acquirees expressed in accordance with the IFRS:

- **property, plant and equipment:** wind farms and photovoltaic systems recognised at acquisition cost including ancillary costs, costs directly attributable to the asset and adjusted by the related accumulated depreciation and capitalisation of dismantling costs;
- **right-of-use assets:** recognition of the right of use on land according to the provisions of IFRS 16;
- **cash and cash equivalents:** cash on hand held in the current account as well as cash tied up upon the occurrence of certain short-term conditions stipulated in the contract;
- **provision for dismantling expenses:** provisions for dismantling expenses accounted for as a balancing entry to the increase in the carrying amount of the asset;
- **instruments measured at fair value:** includes the negative fair value of the VPPAs acquired.
- **other non-current liabilities:** liabilities measured at fair value mainly to the Tax Equity Partner of the wind project as part of the PTC incentive.
- **lease liabilities:** recognition of the present value of payments due for the right of use of land;
- **current financial liabilities:** short-term restricted liquidity balancing entry;

the following fair values determined on a provisional basis were included in the column **Adjustment to the acquisition figures:**

- **intangible assets:** gain allocated upon recognition of the acquisition; this gain was posted to the item "Authorisations and Concessions" taking into account a time horizon of future economic benefits of 40 years for the photovoltaic system and 35 years for the wind farm;
- **non-controlling interests:** recognition of 25% of the Company Project Pinnacle I, LLC to the non-controlling shareholders;
- **deferred tax liabilities:** related to the allocation referred to above.

#### Determination of goodwill

The difference between the total acquisition consideration and the carrying amount of the assets and liabilities acquired is recognised as goodwill as shown in the table below:

(EUR thousand)	
Acquisition price	251,174
Exchange rate risk hedging	(6,129)
<b>Total Consideration</b>	<b>245,045</b>
Fair value of the acquired net assets	232,410
<b>Goodwill</b>	<b>12,635</b>

#### Pinnacle contribution in the first half of 2024

From the date of first consolidation (1 April 2024) to the date of these Condensed Interim Consolidated Financial Statements, the acquired companies contributed revenue, including income from Tax Equity Partnership, of EUR 13 million to the Group's income statement, with EBITDA of EUR 12 million and a profit attributable to owners of the parent for the period of EUR 2 million. It should be noted that if the acquisition had taken place on 1 January 2024, the acquired companies would have contributed revenue, including income from Tax Equity Partnership, of EUR 28 million to the Group's income statement, with an EBITDA of EUR 25 million and a profit for the period of EUR 3 million.

## NOTE 44 - NON-RECURRING ITEMS

As required by CONSOB resolution no. 15519 dated 27 July 2006, significant income and expense arising from non-recurring transactions or events that do not occur frequently in the ordinary course of business are presented below. The aforesaid "Non-recurring items" are included among the special items indicated in the **Interim Director's Report**.

(EUR thousand)		1st half 2024		1st half 2023
Revenue		-		-
Other income		-		-
Purchases		-		-
Change in inventories		-		-
Services and other operating costs	1)	(6,295)	4)	(1,769)
Personnel expense		-		-
Amortisation, depreciation and impairment of non-current assets	2)	(1,041)		-
Net financial income (expense)		-	5)	(4,367)
Net gains (losses) on equity investments		(60)	6)	5,149
Income taxes	3)	30,135	7)	2,822
<b>Profit (loss) from continuing operations of non-recurring items</b>		<b>22,740</b>		<b>1,835</b>
<b>Profit (loss) from discontinued operations of non-recurring items</b>		-	8)	(37,940)
<b>Profit (loss) of non-recurring items</b>		<b>22,740</b>		<b>(36,105)</b>
<b>Non-controlling interests</b>		-		-
<b>Profit (loss) of non-recurring items</b>		<b>22,740</b>		<b>(36,105)</b>

In the first half of **2024**:

- 1) ancillary charges related to completed, ongoing or failed extraordinary transactions and reversal of provisions for discontinued operations;
- 2) charges related to certain Repowering and Revamping projects in Italy already impaired in the previous period;
- 3) the item includes the benefit arising from the redemption of the capital gains related to the Siena and Donatello Business Combinations occurred in 2022 and merged in 2023, as well as the tax effect of the items commented above.

In the first half of **2023**:

- 4) ancillary charges linked to extraordinary transactions concluded, in progress or not completed and to allocations to the provision for discontinued businesses;
- 5) charges related to the early termination of two Project Financings including the related IRSs and the related effects of the renegotiation of loans accounted for according to IFRS 9, as part of Liability Management activities;
- 6) gains on equity investments refer mainly to the two price adjustments on the sales of equity investments in previous years;
- 7) the item mainly includes the tax effect of the items commented on above;
- 8) the net result from discontinued operations refers to the write-down of the CCGT amounting to EUR 38 million.

## NOTE 45 - RELATED PARTIES

As required by CONSOB resolution no. 15519 dated 27 July 2006, the amounts of related party positions and transactions are indicated below.

The transactions carried out by ERG with related parties pertain mainly to:

- the exchange of goods, the performance of services, the provision and use of financing;
- contributions to non-corporate parties, referred to ERG, that pursue humanitarian, cultural and scientific initiatives. In particular, the Edoardo Garrone Foundation, established as a natural evolution of the engagement of the Garrone and Mondini families in the social and cultural fields, dedicated to the memory of Edoardo Garrone who, in 1938, launched the industrial activity of the ERG Group.

Most of these transactions are exempted from the application of the internal ERG regulation **Related party transactions policy and procedures**, issued to implement the CONSOB regulation, because they are ordinary transactions concluded at market or standard conditions, or because they are below the threshold of materiality prescribed by the procedure itself.

All transactions were carried out in the interest of the Group and, with the exception of the transactions with entities

pursuing humanitarian, cultural and scientific initiatives, are included under ordinary operations. The joint ventures, associates and subsidiaries excluded from the consolidation scope are indicated in the **Note 46 – List of Group companies and transactions of the period** in the section dedicated to the list of companies recognised at cost.

### Impact of transactions or positions with related parties on the Statement of Financial Position

The most significant transactions with joint ventures, associates and subsidiaries excluded from the scope of consolidation concern current assets, for which reference should be made to the Additional Information section of these notes.

The impact of transactions or positions with related parties on the items of the Statement of Financial Position is indicated in the following tables:

30/06/2024	ERG Petroleos	Directors and Statutory Auditors	Key Managers	Other non-consolidated companies	Total	% of total item
Trade receivables	-	-	-	54	54	0%
Other current assets	1,671	-	-	-	1,671	0%
Trade payables	-	-	-	(119)	(119)	0%
Other current liabilities	-	(510)	(341)	(14)	(865)	2%
31/12/2023	ERG Petroleos	Directors and Statutory Auditors	Key Managers	Other non-consolidated companies	Total	% of total item
Trade receivables	-	-	-	77	77	0%
Other current assets	1,611	-	-	-	1,611	0%
Trade payables	-	-	-	(107)	(107)	0%
Other current liabilities	-	(682)	(665)	-	(1,347)	4%

### Impact of transactions or positions with related parties on the income statement

The most significant transactions with joint ventures, associates and subsidiaries excluded from the scope of consolidation concern costs payable to the Edoardo Garrone Foundation related to the contribution for the period and costs for services related to the emolument for the office of Chairman held in a Group company by a related party of ERG S.p.A.

The impact of transactions or positions with related parties on the items of the income statement is indicated in the following tables:

30/06/2024		Directors and statutory auditors	Key Managers	Key Managers	Total	% of total item	
Other income		-	-	42	42	0%	
Services and other operating costs		(3,277)	-	-	(3,277)	3%	
Personnel expense		-	(1,287)	-	(1,287)	5%	
31/12/2023	Priolo Servizi S.C.p.A.	Fondazione Edoardo Garrone	Directors and statutory auditors	Key Managers	Key Managers	Total	% of total item
Revenue	8,231	-	-	-	-	8,231	2%
Other income	-	-	-	-	78	78	1%
Services and other operating costs	(3,897)	(100)	(3,329)	-	-	(7,326)	9%
Personnel expense	-	-	-	(1,304)	-	(1,304)	5%

## NOTE 46 - LIST OF GROUP COMPANIES AND TRANSACTIONS OF THE PERIOD

The transactions that took place during the period regarding equity investments are reported below:

- on 9 January 2024, the USA company ERG USA Holding, Inc. was formed, with registered office at 1209 Orange Street, Wilmington, New Castle County, Delaware 19801 and issued share capital of USD 1.00, subscribed and paid-up by ERG Power Generation S.p.A.;
- on 4 March 2024, the change of the company name of two entities under Polish law was resolved as follows: Blachy Pruszyński-Energia sp. z o.o to ERG Wind Słupia sp. z o.o., Hydro Inwestycje sp. z o.o. to ERG Wind Szydłowo sp. z o.o.
- On 23 April 2024, the German companies ERG Wind Beckedorf GmbH & Co. KG and ERG Wind Brunsbüttel GmbH & Co. KG were incorporated, both with registered office in Hamburg, Jungfernstieg 1 and share capital of EUR 5,000 each, fully subscribed and paid-in by ERG Windpark Beteiligungs GmbH;
- on 4 June 2024, the French companies Centrale Photovoltaïque des Grandes Bruyères SAS and Solaire ERG 1 SAS were established, both with share capital of EUR 7,500, fully subscribed by ERG Eolienne France SAS;
- on 30 May 2024, ERG Spain Holdco, S.L.U. acquired all the shares of the Spanish company REN BETA I, S.L.U. from RENERGETICA, S.L.U. The Company has procedures in place to obtain authorisations for the construction of a photovoltaic system;

The following tables list the companies consolidated on a line-by-line basis, those measured using the equity method, and those measured at fair value, including the transactions detailed above.

List of companies consolidated **on a line-by-line basis**:

	Registered office	Direct investment	Group's investment	Currency ('000)	Share Capital <sup>(1)</sup>	Equity <sup>(1)</sup>
<b>ERG S.p.A.</b>						
ERG Power Generation S.p.A.	Genoa (Italy)	(1)	100%	Euro	100,000	3,562,707
<b>ERG Power Generation S.p.A.</b>						
Corni Eolian S.A.	Constanța (Romania)	100%	100%	RON	95,679	249,190
ERG Eolica Adriatica S.r.l.	Genoa (Italy)	100%	100%	Euro	10	75,048
ERG Eolica Campania S.r.l.	Genoa (Italy)	100%	100%	Euro	120	66,897
ERG Eolica Faeto S.r.l.	Genoa (Italy)	100%	100%	Euro	10	7,725
ERG Eolica Fossa del Lupo S.r.l.	Genoa (Italy)	100%	100%	Euro	50	95,835
ERG Eolica Ginestra S.r.l.	Genoa (Italy)	100%	100%	Euro	10	40,502
ERG Eolica San Vincenzo S.r.l.	Genoa (Italy)	100%	100%	Euro	3,500	27,569
ERG Eolica Tirreno S.r.l.	Genoa (Italy)	100%	100%	Euro	10	188
<b>ERG Eolienne France S.a.s.</b>	Paris (France)	100%	100%	Euro	209,551	231,824
<b>ERG UK Holding Ltd</b>	Edinburgh (UK)	100%	100%	GBP	0	16,636
<b>ERG Wind Bulgaria S.p.A.</b>	Genoa (Italy)	100%	100%	Euro	50	21,134
<b>ERG Wind Investments S.r.l.</b>	Genoa (Italy)	100%	100%	Euro	97,046	470,756
<b>ERG Windpark Beteiligungs GmbH</b>	Hamburg (Germany)	100%	100%	Euro	25	6,659
ERG Wind Neunte GmbH	Hamburg (Germany)	100%	100%	Euro	25	98
<b>EW Ornetta 2 sp. z o.o.</b>	Warsaw (Poland)	100%	100%	PLN	164,688	200,787
Green Vicari S.r.l.	Genoa (Italy)	100%	100%	Euro	119	14,206
<b>ERG Solar Holding S.r.l.</b>	Genoa (Italy)	100%	100%	Euro	20	121,485
ISAB Energy Solare S.r.l.	Genoa (Italy)	100%	100%	Euro	100	196
Andromeda PV S.r.l.	Genoa (Italy)	100%	79%	Euro	50	70,102
<b>ERG Poland Holding Sp. z o.o</b>	Warsaw (Poland)	100%	100%	PLN	10	21,342
<b>ERG Sweden Holding AB</b>	Stockholm (Sweden)	100%	100%	SEK	50	88,592
<b>ERG Spain Holco S.L.U.</b>	Madrid (Spain)	100%	100%	Euro	4	88,925
Ginestra S.r.l.	Genoa (Italy)	100%	100%	Euro	20	71,508
Breva Wind S.r.l.	Genoa (Italy)	100%	100%	Euro	7,100	455,369
ERG Sviluppo Italia S.r.l.	Genoa (Italy)	100%	100%	Euro	20	(70)
<b>ERG USA Holding, Inc.</b>	Wilmington, DE (USA)	100%	100%	USD	0	0

(1) Data referring to the latest approved financial statements, unless otherwise indicated.

	Registered office	Direct investment	Group's investment	Currency ('000)	Share Capital <sup>(1)</sup>	Equity <sup>(1)</sup>
<b>ERG Eolienne France S.a.s.</b>						
Eoliennes du Vent Solaire S.a.s.	Paris (France)	100%	100%	Euro	37	1,500
Parc Eolien de Lihus S.a.s.	Paris (France)	100%	100%	Euro	1,114	2,497
Parc Eolien de Hetomesnil S.a.s.	Paris (France)	100%	100%	Euro	1,114	2,489
Parc Eolien de la Bruyère S.a.s.	Paris (France)	100%	100%	Euro	1,060	2,889
Parc Eolien du Carreau S.a.s.	Paris (France)	100%	100%	Euro	861	2,428
Parc Eolien les Mardeaux S.a.s.	Paris (France)	100%	100%	Euro	1,097	2,666
<b>ERG Energies Renouvelables S.a.S.</b>						
Parc Eolien de la vallée de Torfou S.a.s.	Paris (France)	100%	100%	Euro	8	2,606
Parc Eolien du Melier S.a.r.l.	Paris (France)	100%	100%	Euro	8	185
Parc Eolienne de la Voie Sacree S.a.s.	Paris (France)	100%	100%	Euro	74	3,829
Parc Eolienne d'Epense S.a.s.	Paris (France)	100%	100%	Euro	802	1,190
<b>ERG Wind French Holdings S.a.s.</b>						
<b>ERG Wind France 1 S.a.s.</b>						
WP France 10 S.a.s.	Paris (France)	100%	100%	Euro	6	(525)
WP France 6 S.a.s.	Paris (France)	100%	100%	Euro	6	2,910
ERG France S.a.r.l.	Paris (France)	100%	100%	Euro	2,000	(6,200)
<b>Les Moulins de Fruges SAS</b>						
Ferme Eolienne De Saint Pierre De Maillé 1 S.a.s.	Paris (France)	100%	100%	Euro	5,639	3,660
Parc Eolien de St Riquier 3 S.a.s.	Paris (France)	100%	100%	Euro	37	675
Parc Eolien de St Riquier 4 S.a.s.	Paris (France)	100%	100%	Euro	37	340
<b>Holding Quesnoy 2 S.a.s.</b>						
<b>Holding Chery S.a.s.</b>						
Omniwatt S.a.s.	Paris (France)	100%	100%	Euro	2,201	(5,223)
Ferme Eolienne de Moquepanier S.a.s.	Paris (France)	100%	100%	Euro	2,519	(4,158)
Ferme Eolienne de Clamecy S.a.s.	Paris (France)	100%	100%	Euro	2,000	2,542
<b>Crampon Puchot Energies S.a.s.</b>						
Solaires Sisteron S.a.s.	Paris (France)	100%	100%	Euro	334	(1,651)
Solaire Sénézergues S.a.s.	Paris (France)	100%	100%	Euro	0	1,243
Solaire Arpajon-sur-Cere S.a.s.	Paris (France)	100%	100%	Euro	451	1,509
Arsac 1 S.a.s.	Paris (France)	100%	100%	Euro	0	(1,415)
Arsac 3 S.a.s.	Paris (France)	100%	100%	Euro	1	(1,994)
Solaire Greoux S.a.s.	Paris (France)	100%	100%	Euro	0	(1,645)
Solaire Salaunes S.a.s.	Paris (France)	100%	100%	Euro	0	(1,469)
<b>C.E.P.E. Renouvellement Haut Cabardès S.a.s.</b>						
Paris (France)	Paris (France)	100%	100%	Euro	12,803	
<b>ERG Energies Renouvelables S.a.S.</b>						
ERG Développement France S.a.s	Paris (France)	100%	100%	Euro	100	(2,049)
Caen Renewables Energy S.a.s. (en liquidation)	Paris (France)	100%	100%	Euro	0	-
Parc Eolien de la Charente Limousine S.a.r.l.	Paris (France)	100%	100%	Euro	8	29
Parc Eolien de la Boeme S.a.r.l.	Paris (France)	100%	100%	Euro	8	(98)
Parc Eolien du Moulin du Bois S.a.r.l.	Paris (France)	100%	100%	Euro	8	67
Parc Eolien des Bouchats S.a.r.l.	Paris (France)	100%	100%	Euro	8	(677)
Parc Eolien de Saint Maurice la Clouere S.a.r.l.	Paris (France)	100%	100%	Euro	8	(94)
Parc Eolien du Pays a Part S.a.r.l.	Paris (France)	100%	100%	Euro	8	(71)
Parc Eolien de Saint Sulpice S.a.r.l.	Paris (France)	100%	100%	Euro	8	(72)
Parc Eolien du Plateaux de l'Ajoux S.a.r.l.	Paris (France)	100%	100%	Euro	8	(37)
Parc Eolien des Terres et Vents de Ravieres S.a.r.l.	Paris (France)	100%	100%	Euro	8	(43)
Parc Eolien de Porspoder S.a.r.l.	Paris (France)	100%	100%	Euro	8	(52)
<b>ERG Solar Holding S.r.l.</b>						
Calabria Solar S.r.l.	Genoa (Italy)	100%	100%	Euro	10	21,148
ERG Solar Piemonte 3 S.r.l.	Genoa (Italy)	100%	100%	Euro	10	17,860
<b>ERG UK Holding Ltd</b>						
Craigmore Energy Limited	Belfast (UK)	100%	100%	GBP	0	0
Creag Riabhach Wind Farm Ltd	Edinburgh (UK)	100%	100%	GBP	50	(0)
Evishagaran Windfarm LTD	Belfast (UK)	100%	100%	GBP	0	8,455
Sandy Knowe Wind Farm LTD	London (UK)	100%	100%	GBP	0	(525)
Corlacky Energy LTD	Belfast (UK)	100%	100%	GBP	0	0

(1) Data referring to the latest approved financial statements.

	Registered office	Direct investment	Group's investment	Currency ('000)	Share Capital <sup>(1)</sup>	Equity <sup>(1)</sup>
<b>ERG Wind Bulgaria S.p.A.</b>						
Globo Energy EOOD	Sofia (Bulgaria)	100%	100%	BGN	4,379	10,710
K&S Energy EOOD	Sofia (Bulgaria)	100%	100%	BGN	3,179	6,074
K&S Energy 1 EOOD	Sofia (Bulgaria)	100%	100%	BGN	3,023	9,524
K&S Energy 2 EOOD	Sofia (Bulgaria)	100%	100%	BGN	3,051	9,707
Mark 1 EOOD	Sofia (Bulgaria)	100%	100%	BGN	4,113	10,286
Mark 2 EOOD	Sofia (Bulgaria)	100%	100%	BGN	4,113	10,210
VG-1 EOOD	Sofia (Bulgaria)	100%	100%	BGN	1,520	4,107
VG-2 EOOD	Sofia (Bulgaria)	100%	100%	BGN	3,034	8,361
VG-3 EOOD	Sofia (Bulgaria)	100%	100%	BGN	3,057	8,497
VG-4 EOOD	Sofia (Bulgaria)	100%	100%	BGN	2,955	10,549
VG-5 EOOD	Sofia (Bulgaria)	100%	100%	BGN	3,059	8,694
VG-6 EOOD	Sofia (Bulgaria)	100%	100%	BGN	3,023	8,316
Wind Park Kavarna East EOOD	Sofia (Bulgaria)	100%	100%	BGN	505	6,574
Wind Park Kavarna West EOOD	Sofia (Bulgaria)	100%	100%	BGN	175	6,805
WP Bulgaria 4 EOOD	Sofia (Bulgaria)	100%	100%	BGN	2,157	3,948
<b>ERG Wind France 1 S.a.s.</b>						
Cepe de Montbeliard S.a.s.	Paris (France)	100%	100%	Euro	365	2,621
Cepe de Murat S.a.s.	Paris (France)	100%	100%	Euro	444	4,265
Cepe de Saint Florentin S.a.s.	Paris (France)	100%	100%	Euro	251	1,022
Ferme Eolienne de Teterchen S.a.s.	Paris (France)	100%	100%	Euro	100	1,335
Parc Eolien du Bois de l'Arche S.a.s.	Paris (France)	100%	100%	Euro	100	3,145
Parc Eolien du Bois de Bigot S.a.s.	Paris (France)	100%	100%	Euro	80	1,943
<b>ERG Wind French Holdings S.a.s.</b>						
Parc Eolien de la Chaude Vallee S.a.r.l.	Paris (France)	100%	100%	Euro	8	297
Parc Eolien de Morvillers S.a.r.l.	Paris (France)	100%	100%	Euro	8	540
Parc Eolien de Garcelles-Sacqueville S.a.s.	Paris (France)	100%	100%	Euro	1,037	380
Parc Eolien du Patis S.a.s.	Paris (France)	100%	100%	Euro	1,164	1,946
Parc Eolien Hauts Moulins S.a.r.l.	Paris (France)	100%	100%	Euro	15	824
Parc Eolien Moulins des Champs S.a.r.l.	Paris (France)	100%	100%	Euro	15	936
Parc Eolien de St Riquier 1 S.a.s.	Paris (France)	100%	100%	Euro	37	241
SAS Société d'Exploitation du Parc Eolien de la Souterraine	Paris (France)	100%	100%	Euro	505	(188)
Parc Eolien de Oyré Saint Sauveur S.a.s.	Paris (France)	100%	100%	Euro	37	176
Société d'Exploitation du Parc Eolien Le Nouvion S.a.s.	Paris (France)	100%	100%	Euro	37	(3,453)
<b>ERG Wind Investments S.r.l.</b>						
<b>ERG Wind Holdings (Italy) S.r.l.</b>	Genoa (Italy)	100%	100%	Euro	212	202,088
<b>ERG Wind MEI 2-14-1 Limited</b>	London (UK)	100%	100%	Euro	0	(5,366)
<b>ERG Wind MEI 2-14-2 Limited</b>	London (UK)	100%	100%	Euro	0	(933)
<b>ERG Wind Holdings (Italy) S.r.l.</b>						
ERG Wind Energy S.r.l.	Genoa (Italy)	66%	100%	Euro	1,525	302,102
ERG Wind Sardegna S.r.l.	Genoa (Italy)	100%	100%	Euro	77	81,885
<b>ERG Wind Sicilia 6 S.r.l.</b>	Genoa (Italy)	100%	100%	Euro	77	44,231
<b>ERG Wind Sicilia 6 S.r.l.</b>						
ERG Wind 6 S.r.l.	Genoa (Italy)	100%	100%	Euro	77	43,255
ERG Wind Sicilia 3 S.r.l.	Genoa (Italy)	100%	100%	Euro	77	22,792
<b>ERG Wind MEI 2-14-1 LTD</b>						
ERG Wind MEG 1 LLP <sup>(2)</sup>	London (UK)	80%	100%	Euro	-	38,575
ERG Wind MEG 2 LLP <sup>(2)</sup>	London (UK)	80%	100%	Euro	-	32,392
ERG Wind MEG 3 LLP <sup>(2)</sup>	London (UK)	80%	100%	Euro	-	33,086
ERG Wind MEG 4 LLP <sup>(2)</sup>	London (UK)	80%	100%	Euro	-	31,844

(1) Data referring to the latest approved financial statements.

(2) The remaining 20% is held by ERG Wind MEI 2-14-2

	Registered office	Direct investment	Group's investment	Currency ('000)	Share Capital <sup>(1)</sup>	Equity <sup>(1)</sup>
<b>ERG Wind Park Beteiligungs GmbH</b>						
ERG Wind 117 GmbH & Co. KG	Hamburg (Ger.)	100%	100%	Euro	1	(2,889)
Voltwerk Energy Park 8 GmbH & Co. KG	Hamburg (Ger.)	100%	100%	Euro	1	(2,992)
Voltwerk Windpark Worbzig GmbH & Co. KG	Hamburg (Ger.)	100%	100%	Euro	0	-
Voltwerk Windpark Beesenstedt GmbH & Co. KG	Hamburg (Ger.)	100%	100%	Euro	1	1
Windpark Cottbuser Halde GmbH & Co. KG	Hamburg (Ger.)	100%	100%	Euro	5	(8,556)
Windpark Achmer Vinte GmbH & Co. KG	Hamburg (Ger.)	100%	100%	Euro	7,500	(3,754)
RENDITEFONDS						
ERG Wind Weselberg GmbH & Co. KG	Hamburg (Ger.)	100%	100%	Euro	14	(2,641)
Windpark Linda GmbH & Co. KG	Hamburg (Ger.)	100%	100%	Euro	2	(527)
ERG Development Germany GmbH & Co. KG	Hamburg (Ger.)	100%	100%	Euro	3	(130)
UGE Barkow GmbH & und Co. KG	Hamburg (Ger.)	100%	100%	Euro	1	(3,300)
UMWELTGERECHTE ENERGIE						
UGE Barkow Zwei GmbH & und Co. KG	Hamburg (Ger.)	100%	100%	Euro	1	(2,091)
UMWELTGERECHTE ENERGIE						
UGE Barkow Drei GmbH & und Co. KG	Hamburg (Ger.)	100%	100%	Euro	1	(2,441)
UMWELTGERECHTE ENERGIE						
ERG Germany GmbH	Hamburg (Ger.)	100%	100%	Euro	210	(969)
ERG Wind Ebersgrun GmbH & Co. KG	Hamburg (Ger.)	100%	100%	Euro	10	(5,276)
ERG Wind Hollige GmbH & Co. KG	Hamburg (Ger.)	100%	100%	Euro	10	(7,891)
ERG Wind Norath GmbH & Co. KG	Hamburg (Ger.)	100%	100%	Euro	10	(5,939)
ERG Wind Offenheim GmbH & Co. KG	Hamburg (Ger.)	100%	100%	Euro	10	(7,753)
ERG Wind Nack GmbH & Co. KG	Hamburg (Ger.)	100%	100%	Euro	10	(6,263)
ERG Windpark Aukrug GmbH & Co. KG	Hamburg (Ger.)	100%	100%	Euro	5	5
ERG Windpark Reinsdorf GmbH & Co. KG	Hamburg (Ger.)	100%	100%	Euro	5	5
ERG Windpark Heyen GmbH & Co. KG	Hamburg (Ger.)	100%	100%	Euro	5	5
ERG Windpark Bokel GmbH & Co. KG	Hamburg (Ger.)	100%	100%	Euro	5	5
ERG Windpark Jeggeleben GmbH & Co. KG	Hamburg (Ger.)	100%	100%	Euro	5	5
<b>ERG Wind Offenheim GmbH &amp; Co. KG</b>						
Infrastrukturgesellschaft Erbes-Büdesheim GmbH & Co. KG	Hamburg (Ger.)	43%	78%	Euro	3	
<b>ERG Wind Nack GmbH &amp; Co. KG</b>						
Infrastrukturgesellschaft Erbes-Büdesheim GmbH & Co. KG	Hamburg (Ger.)	35%	78%	Euro	3	
<b>EW Ornet 2 Z.O.O.</b>						
ERG Wind Słupia sp. z o.o.	Warsaw (Poland)	100%	100%	PLN	7,100	89,525
ERG Wind Szydłowo sp. z o.o.	Warsaw (Poland)	100%	100%	PLN	42	60,739
<b>Les Moulins de Fruges SAS</b>						
Société d'exploitation du Parc Eolien de Mont Felix S.a.r.l.	Paris (France)	100%	100%	Euro	1,891	3,030
Société d'exploitation du Parc Eolien de Fond du Moulin S.a.r.l.	Paris (France)	100%	100%	Euro	344	(627)
Société d'exploitation du Parc Eolien Le Chemin Vert S.a.r.l.	Paris (France)	100%	100%	Euro	1,804	(1,133)
Société d'exploitation du Parc Eolien Le Marquay S.a.r.l.	Paris (France)	100%	100%	Euro	679	(687)
Société d'exploitation du Parc Eolien Les Trente S.a.r.l.	Paris (France)	100%	100%	Euro	1,935	295
Société d'exploitation du Parc Eolien de Sole de Bellevue S.a.r.l.	Paris (France)	100%	100%	Euro	1,925	1,581
<b>Holding Chery S.A.S.</b>						
Ferme Eolienne De Chery S.A.S.	Paris (France)	100%	100%	Euro	37	394
<b>Holding Quesnoy 2 S.A.S.</b>						
Ferme Eolienne De Quesnoy-Sur-Airaines 2 S.a.s.	Paris (France)	100%	100%	Euro	37	278
<b>ERG Poland Holding</b>						
EW Piotrków Kujawski sp z o.o.	Warsaw (Poland)	100%	100%	PLN	5	(6,461)
Laszki Wind sp. z o.o.	Warsaw (Poland)	100%	100%	PLN	5	6,338
<b>ERG Sweden Holding AB</b>						
Furukraft AB	Stockholm (Sweden)	100%	100%	SEK	50	65,249

(1) Data referring to the latest approved financial statements.

	Registered office	Direct investment	Group's investment	Currency ('000)	Share Capital <sup>(1)</sup>	Patrimonio Netto <sup>(1)</sup>
<b>Omniwatt Sas</b>						
<b>Omnigreen S.a.s.</b>	Paris (France)	100%	100%	Euro	4,759	(29)
<b>Capenergie 3 Wind GmbH</b>	Hamburg (Germany)	100%	100%	Euro	25	(29)
Les Eoliennes De Saint Fraigne S.a.s.	Paris (France)	100%	100%	Euro	3,700	4,024
Neuilly Saint Front Energies S.a.s.	Paris (France)	100%	100%	Euro	37	(1,320)
Monnes Energies S.a.r.l.	Paris (France)	100%	100%	Euro	1	(1,096)
<b>Omnigreen Sas</b>						
Sainte Helene Energies S.a.r.l.	Paris (France)	100%	100%	Euro	1	(3,058)
Iel Exploitation 12 S.a.r.l.	Paris (France)	100%	100%	Euro	1	(1,459)
Reuilly et Diou Energies S.a.r.l.	Paris (France)	100%	100%	Euro	601	1,270
<b>Capenergie 3 Wind GmbH</b>						
Saint Congard Energies S.a.s.	Paris (France)	100%	100%	Euro	2	(1,332)
<b>Crampon Puchot Energies Sas</b>						
Wkn Pikardie Verte II S.a.s.	Paris (France)	100%	100%	Euro	1	4,931
<b>C.E.P.E. Renouvellement Haut Cabardès S.a.s.</b>						
C.E.P.E DU SOULEILLA S.a.r.l.	Paris (France)	100%	100%	Euro	8	2,847
Chaume-Solar S.a.r.l.	Paris (France)	100%	100%	Euro	60	692
C.P.E.S MAS D'EN RAMIS S.a.s.	Paris (France)	60%	60%	Euro	2,375	2,819
C.P.E.S LA BREDE S.a.s.	Paris (France)	57%	57%	Euro	1,053	1,140
<b>ERG Spain Holco S.L.U</b>						
ERG Solar Almansa S.L.U.	Madrid (Spain)	100%	100%	Euro	3	27,404
ERG Solar Tabernas S.L.U.	Madrid (Spain)	100%	100%	Euro	3	14,546
ERG Solar Fregenal de la Sierra S.L.U.	Madrid (Spain)	100%	100%	Euro	3,000	13,479
ERG Solar Montiel S.L.U.	Madrid (Spain)	100%	100%	Euro	3	65
ERG Solar El Abuelito S.L.U.	Madrid (Spain)	100%	100%	Euro	3	91
ERG Solar Buenaventura S.L.U.	Madrid (Spain)	100%	100%	Euro	3	153
<b>ERG Hamburg Holding GmbH</b>	Hamburg (Germany)	100%	100%	Euro	25	56,925
<b>ERG Hamburg Holding GmbH</b>						
Garnacha Solar S.L.U.	Madrid (Spain)	100%	100%	Euro	6	2,070
<b>ERG USA Holding, Inc.</b>						
Project Pinnacle I, LLC	Wilmington, DE (USA)	75%	75%	USD	0	0
<b>Project Pinnacle I, LLC <sup>(2)</sup></b>						
<b>Apex Mulligan Solar Holdings, LLC</b>	Wilmington, DE (USA)	100%	75%	USD	0	0
<b>Mulligan Solar Development, LLC</b>	Wilmington, DE (USA)	100%	75%	USD	5,474	3,566
<b>Mulligan Solar Blocker, LLC</b>	Wilmington, DE (USA)	100%	75%	USD	0	0
<b>Mulligan Solar Holdings II, LLC <sup>(3)</sup></b>	Wilmington, DE (USA)	100%	75%	USD	0	0
<b>Mulligan Solar Holdings, LLC</b>	Wilmington, DE (USA)	100%	75%	USD	4,592	4,757
Mulligan Solar, LLC	Wilmington, DE (USA)	100%	75%	USD	102,989	72,303
<b>Great Pathfinder Wind Equity Holdings, LLC</b>	Wilmington, DE (USA)	100%	75%	USD	0	0
<b>Great Pathfinder Intermediate Holdco 3, LLC</b>	Wilmington, DE (USA)	100%	75%	USD	0	0
<b>Great Pathfinder Intermediate Holdco 2, LLC</b>	Wilmington, DE (USA)	100%	75%	USD	0	0
<b>Great Pathfinder Intermediate Holdco 1, LLC</b>	Wilmington, DE (USA)	100%	75%	USD	20,263	18,308
<b>Great Pathfinder Holdings, LLC</b>	Wilmington, DE (USA)	100%	75%	USD	0	0
Great Pathfinder Wind, LLC	Wilmington, DE (USA)	100%	75%	USD	376,613	371,688

(1) Data referring to the latest approved financial statements

(2) The company Project Pinnacle I, LLC was incorporated in 2024 and holds, through the various equity investments listed, 100% of the operating companies Mulligan Solar, LLC and Great Pathfinder Wind, LLC.

(3) Mulligan Solar Holdings II, LLC is 99% owned by Mulligan Solar Development, LLC and 1% owned by Mulligan Solar Blocker, LLC, which in turn is 100% owned by Mulligan Solar Development, LLC.

List of companies recognised **using the equity method**:

	Registered office	Direct investment	Group's investment	Currency ('000)	Share Capital <sup>(1)</sup>	Equity <sup>(1)</sup>	Carrying amount 30/06/2024
<b>Garnacha Solar S.L.U.</b>							
Toro Renovables 400 KV S.L.U. <sup>(2)</sup>	Madrid (Spain)	23.69%	23.69%	Euro	6	2,070	1,070
<b>Società collegate</b>							<b>1,070</b>

(1) Data referring to the latest approved financial statements

(2) The Company is owned by 10 other shareholders, owners of other photovoltaic projects, with shareholdings ranging from 5.0% to 8.3%.

List of companies **measured at cost**:

	Registered office	Direct investment	Group's investment	Currency ('000)	Share Capital <sup>(1)</sup>	Equity <sup>(1)</sup>	Carrying amount 30/06/2024
<b>ERG S.p.A.</b>							
ERG Petroleos S.A. <sup>(2)</sup>	Madrid (Spain)	100%	100%	Euro	3,050	(7,032)	-
<b>Subsidiaries</b>							<b>-</b>
<b>ERG Power Generation S.p.A.</b>							
ERG Germany Verwaltungs GmbH <sup>(3)</sup>	Hamburg (Germany)	100%	100%	Euro	25	25	25
Eolico Troina S.r.l. in liquidazione <sup>(2)</sup>	Palermo (Italy)	99%	99%	Euro	20	250	25
<b>Subsidiaries</b>							<b>50</b>
<b>ERG Eolienne France S.a.s.</b>							
Parc Eolien de Saint-Loup sur Cher S.a.r.l. <sup>(4)</sup>	Paris (France)	100%	100%	Euro	8	(3)	8
Parc Eolien du Puits Gergil S.a.r.l. <sup>(4)</sup>	Paris (France)	100%	100%	Euro	8	(3)	8
Parc Eolien du Plateau de la Perche S.a.r.l. <sup>(4)</sup>	Paris (France)	100%	100%	Euro	8	(3)	8
Parc Eolien des Boules S.a.r.l. <sup>(4)</sup>	Paris (France)	100%	100%	Euro	8	(3)	8
Ferme Eolienne de la voie Sacrée Sud S.a.s. <sup>(4)</sup>	Paris (France)	100%	100%	Euro	10	(72)	10
Parc Eolien Des Grandes Bornes S.a.s. <sup>(4)</sup>	Paris (France)	100%	100%	Euro	8	8	8
Parc Eolien Des Jonquilles S.a.s. <sup>(4)</sup>	Paris (France)	100%	100%	Euro	8	8	8
Parc Eolien De La Plaine Du Burel S.a.s. <sup>(4)</sup>	Paris (France)	100%	100%	Euro	8	8	8
Parc Eolien de Saint Priest en Murat S.a.s. <sup>(4)</sup>	Paris (France)	100%	100%	Euro	8	8	8
Parc Eolien de Vent Communaux S.a.s. <sup>(4)</sup>	Paris (France)	100%	100%	Euro	8	8	8
Parc Eolien de la Foye S.a.s. <sup>(4)</sup>	Paris (France)	100%	100%	Euro	8	8	8
<b>Parc Photovoltaïque de la Vallée de la Doulaye SAS</b> <sup>(4)</sup>	Paris (France)	100%	100%	Euro	8	8	8
Parc Eolien des Six Chemins S.a.s. <sup>(4)</sup>	Paris (France)	100%	100%	Euro	8	8	8
Parc Photovoltaïque de la Vallée Brousse S.a.s. <sup>(4)</sup>	Paris (France)	100%	100%	Euro	8	8	8
Central Photovoltaïque des Grandes Bruyères S.a.s. <sup>(4)</sup>	Paris (France)	100%	100%	Euro	8	8	8
Solaires ERG 1 S.a.s. <sup>(4)</sup>	Paris (France)	100%	100%	Euro	8	8	8
<b>Subsidiaries</b>							<b>124</b>
<b>ERG Wind Park Beteiligungs GmbH</b>							
ERG Windpark Bischhausen GmbH & Co. KG <sup>(4)</sup>	Hamburg (Germany)	100%	100%	Euro	5	5	5
ERG Wind Brunsbüttel GmbH & Co. KG <sup>(4)</sup>	Hamburg (Germany)	100%	100%	Euro	5	5	5
ERG Wind Beckedorf GmbH & Co. KG <sup>(4)</sup>	Hamburg (Germany)	100%	100%	Euro	5	5	5
<b>Subsidiaries</b>							<b>30</b>

	Registered office	Direct investment	Group's investment	Currency ('000)	Share Capital <sup>(1)</sup>	Equity <sup>(1)</sup>	Carrying amount 30/06/2024
<b>Voltwerk Windpark Wörbzig GmbH &amp; Co. KG</b>							
Netzbetrieb Windpark Wörbzig GbR <sup>(4)</sup>	Hamburg (Ger.)	32%	32%	Euro	2		
<b>Subsidiaries</b>							-
<b>ERG Solar Holding S.r.l.</b>							
Fattoria Solare Futurasun S.r.l. <sup>(4)</sup>	Genoa (Italy)	100%	100%	Euro	10	10	898
<b>Subsidiaries</b>							<b>898</b>
<b>ERG UK Holding Ltd</b>							
High Cairn Wind Farm Limited <sup>(4)</sup>	Edinburgh (UK)	100%	100%	GBP	0	0	-
Creggan Wind Farm Limited <sup>(4)</sup>	London (UK)	100%	100%	GBP	0	0	-
Longburn Wind Farm Limited <sup>(4)</sup>	London (UK)	100%	100%	GBP	0	0	-
<b>Subsidiaries</b>							-
<b>ERG Spain Holco S.L.U.</b>							
REN BETA I, S.L.U. <sup>(4)</sup>	Madrid (Spain)	100%	100%	Euro	3		180
<b>Subsidiaries</b>							<b>180</b>

(1) Data referring to the latest approved financial statements

(2) Company in liquidation

(4) Companies measured at cost as they are not yet operational

	Registered office	Direct investment	Group's investment	Currency ('000)	Share Capital <sup>(1)</sup>	Equity <sup>(1)</sup>	Carrying amount 30/06/2024
<b>ERG S.p.A.</b>							
CAF Interreg. Dipendenti S.r.l.	Vicenza (Italy)	0.04%	0.06%	Euro	276	1,069	-
Meroil S.A.	Barcelona (Spain)	0.87%	0.87%	Euro	19,077	95,569	310
R.U.P.E. S.p.A.	Genoa (Italy)	4.86%	4.86%	Euro	3,058	2,969	155
<b>Other companies</b>							<b>465</b>

(1) Data referring to the latest approved financial statements

## NOTE 47 - ACCOUNTING STANDARDS, AMENDMENTS AND IFRS INTERPRETATIONS APPLIED STARTING ON 1 JANUARY 2024

As from 1 January 2024 the following standards, interpretations and amendments to existing standards, in relation to which no significant effects on the Condensed Interim Consolidated Financial Statements are reported, have become applicable.

- Amendments to IAS 1 – Disclosure on accounting standards (IASB publication date February 2021)<sup>3</sup>;
- Amendment to IAS 8 – Definition of accounting estimates (IASB publication date February 2021);
- Amendments to IAS 12 – Deferred taxes related to assets and liabilities arising from a single transaction (IASB publication date May 2021);
- IFRS 17 – Insurance Contracts, including amendments issued in June 2020 (IASB publication date May 2017 and June 2020). IFRS 17 is a new accounting standard for the recognition, measurement, presentation and disclosure of insurance contracts issued by an entity and/or reinsurance contracts held by an entity. Based on the accounting analyses carried out by the Group's management, the contracts issued by ERG do not represent transactions that may fall within the definition of an insurance contract.
- Amendments to IFRS 17 – Initial application of IFRS 17 and IFRS 9 – Comparative Information (IASB publication date December 2021);
- Amendments to IAS 12<sup>4</sup> – International Tax Reform – Pillar Two Model Rules (IASB publication date May 2023). For details, please refer to **Note 40 – Income taxes**.

3 The document published by the IASB includes amendments to "IFRS Practice Statements 2 – Making Materiality Judgments" which have not been endorsed by the European Union as they do not relate to an accounting standard or an interpretation.

4 Amendment that applies immediately from publication on 23 May 2023, retroactively from 1 January 2023.

## NOTE 48 - IFRS/IFRIC STANDARDS, AMENDMENTS AND INTERPRETATIONS PUBLISHED BUT NOT YET ADOPTED EARLY BY THE GROUP AT 30 JUNE 2024

Below are the new standards or amendments to the standards, applicable, if approved by the European Union, for annual periods beginning on or after 1 January 2024 and for which earlier application is allowed. However, the Group has decided not to adopt them in advance for the preparation of these Condensed Interim Consolidated Financial Statements.

Entry into force	Description	Issue date	Approved
1 January 2024	Amendments to IFRS 16 "Leases" – Lease liabilities in a sale and leaseback	22 September 2022	20 November 2023
	Amendment to IAS 1 "Presentation of financial statements" on the classification of non-current assets and liabilities with covenants	23 January 2020 15 July 2020 31 October 2022	19 December 2023
	Amendments to IAS 7 "Statement of Cash Flows" and IFRS 7 "Financial Instruments: Disclosures" on supplier finance agreements	25 May 2023	15 May 2024
1 January 2025	Amendments to IAS 21 "The Effects of Changes in Foreign Exchange Rates" on lack of exchangeability	15 August 2023	No

Any impacts of the aforesaid standards are currently being assessed.

## NOTE 49 - SIGNIFICANT EVENTS AFTER THE REPORTING DATE

There are no significant events to report that may have an impact on the statement of financial position at 30 June 2024.

## NOTE 50 - PUBLICATION DATE OF THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS

On 2 August 2024, the Board of Directors of ERG S.p.A. authorised the publication of the Condensed Interim Consolidated Financial Statements together with the reports of the Supervisory Bodies in compliance with the deadlines prescribed by current laws and regulations.

Genoa, 2 August 2024

on behalf of the Board of Directors

The Chairman

**Edoardo Garrone**



# REPRESENTATIONS ON THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS

PURSUANT TO ARTICLE 81-TER OF CONSOB REGULATION NO. 11971 DATED 14 MAY 1999, AS AMENDED

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1. The undersigned Paolo Luigi Merli, Chief Executive Officer of ERG S.p.A., and Michele Pedemonte, Manager responsible for preparing the financial reports of ERG S.p.A., taking into account the provisions set out in Article 154-bis, paragraphs 3 and 4, of Italian Legislative Decree no. 58 of 24 February 1998, state that the administrative and accounting procedures for the preparation of the Condensed Interim Consolidated Financial Statements:
  - were adequate given the ERG Group's characteristics and
  - were effectively applied during the first half of 2024.
  
2. In this regard, the following is pointed out:
  - the suitability of the administrative and accounting procedures for the preparation of the Condensed Interim Consolidated Financial Statements of ERG S.p.A. at 30 June 2024 was verified by the assessment of the system of internal control over Financial Reporting. This assessment was carried out with reference to the criteria established in the "Internal Control – Integrated Framework" model issued by the Committee of Sponsoring Organizations of the Treadway Commission (COSO);
  - the assessment of the System of Internal Control over Financial Reporting did not uncover any significant aspects.
  
3. It is furthermore stated that:
  - the Condensed Interim Consolidated Financial Statements of the ERG Group as at and for the six months ended 30 June 2024:
    - were prepared in accordance with the applicable International Accounting Standards recognised in the European Union pursuant to Regulation (EC) no. 1606/2002 of the European Parliament and of the Council, dated 19 July 2002;
    - match the underlying accounting books and records;
    - are suitable to give a true and fair view of the financial position and results of operations of the issuer and of the group of companies included in its consolidation scope;
  - the Interim Financial Report comprises a reliable analysis of the performance and of the result of operations, as well as of the situation of the issuer and of the group of companies included in the consolidation scope, together with a description of the main risks and uncertainties to which they are exposed. The Interim Financial Report also includes a reliable analysis of the information on significant transactions with related parties.

Genoa, 2 August 2024

Chief Executive Officer

**Paolo Luigi Merli**



The Manager responsible  
for preparing the Company's  
financial reports

**Michele Pedemonte**



# RELAZIONE DELLA SOCIETÀ DI REVISIONE



(This report has been translated into English solely for the convenience of international readers. Accordingly, only the original Italian version is authoritative.)

## ERG Group

**Condensed interim consolidated financial statements  
as at and for the six months ended 30 June 2024**

(with auditors' report on review thereof)

KPMG S.p.A.  
2 August 2024



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## Report on review of condensed interim consolidated financial statements

*To the shareholders of  
 ERG S.p.A.*

### Introduction

We have reviewed the accompanying condensed interim consolidated financial statements of the ERG Group as at and for the six months ended 30 June 2024, comprising the income statement, the statements of comprehensive income, financial position, changes in equity and cash flows and notes thereto. The parent's directors are responsible for the preparation of these condensed interim consolidated financial statements in accordance with the International Financial Reporting Standard applicable to interim financial reporting (IAS 34), endorsed by the European Union. Our responsibility is to express a conclusion on these condensed interim consolidated financial statements based on our review.

### Scope of the review

We conducted our review in accordance with Consob (the Italian Commission for Listed Companies and the Stock Exchange) guidelines set out in Consob resolution no. 10867 dated 31 July 1997. A review of condensed interim consolidated financial statements consists of making inquiries, primarily of persons responsible for financial and accounting matters, applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing (ISA Italia) and, consequently, does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion on the condensed interim consolidated financial statements.

KPMG S.p.A. è una società per azioni di diritto italiano e fa parte del network KPMG di entità indipendenti affiliate a KPMG International Limited, società di diritto inglese.

Ancona Bari Bergamo  
 Bologna Bolzano Brescia  
 Catania Como Firenze Genova  
 Lecce Milano Napoli Novara  
 Padova Palermo Parma Perugia  
 Pescara Roma Torino Treviso  
 Trieste Varese Verona

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 Capitale sociale  
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 20124 Milano MI ITALIA



**ERG Group**

*Report on review of condensed interim consolidated financial statements  
30 June 2024*

### **Conclusion**

Based on our review, nothing has come to our attention that causes us to believe that the condensed interim consolidated financial statements of the ERG Group as at and for the six months ended 30 June 2024 have not been prepared, in all material respects, in accordance with the International Financial Reporting Standard applicable to interim financial reporting (IAS 34), endorsed by the European Union.

Genoa, 2 August 2024

KPMG S.p.A.

(signed on the original)

Andrea Carlucci  
Director of Audit

**ERG S.P.A.**

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Share Capital EUR 15.032.000,00 fully paid

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Company Register Genoa

and Fiscal Code 94040720107

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