



# *ERG Power Generation*

## **Directors' Report 2025**

31 December 2025

INSPIRING CHANGE TO POWER THE FUTURE





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# Directors' Report



## BASIS OF PREPARATION

### **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 profit is 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. Said hedges include, inter alia, the use of instruments to hedge the price risk. For a clearer representation, the results of the operating segments include hedges relating to renewable energy sources ("RES").

**Group's 'geographical refocusing' operations** In line with the guidelines of the Business Plan, which provide for a geographical repositioning, on 20 January 2026 ERG announced the signing and simultaneous closing of two significant transactions in the United Kingdom and Sweden. ERG, through its subsidiary ERG UK Holding Ltd, acquired from OnPath Energy Midco Limited, a subsidiary of OnPath Energy, a long-established renewable energy developer active in the United Kingdom, 100% of a group of UK companies owning seven operational onshore wind farms in Northern England, with a total installed capacity of 73 MW. At the same time, ERG, through its subsidiary ERG Power Generation S.p.A., signed an agreement with Nordetic AB for the disposal of the entire share capital of ERG Sweden Holding AB, owner of Furukraft AB, the company that owns the Furuby wind farm located in Sweden. The consideration in terms of Enterprise Value was equal to EUR 70 million, including costs related to the sale of the asset.

In view of the above, in the reported financial statements, the accounting results relating to the Swedish asset, which was in the process of being disposed of at the reporting date, are shown separately in accordance with the requirements of IFRS 5.

To enhance understandability of the Group's performance, the adjusted results commented on in this Report also include in ordinary operations the results of the asset being sold at the reporting date. For the reconciliation of these amounts, please refer to the section "Alternative performance indicators".

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

Some of the Alternative Performance Indicators (APIs) used in this Report are different from the financial indicators expressly provided for by the 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.

### **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.



# THE ERG GROUP

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## CORPORATE BODIES

### BOARD OF DIRECTORS<sup>1</sup>

Chairman:	Vittorio Garrone
Chief executive officer:	Renato Sturani
Directors:	Italo Giorgio Alfieri Giorgio Coraggioso Michele Pedemonte Andrea Navarra

### BOARD OF STATUTORY AUDITORS<sup>2</sup>

Chairman:	Fabrizio Cavalli
Standing auditors:	Luisella Bergero Vincenzo Campo Antico

### INDEPENDENT AUDITORS

KPMG S.p.A.<sup>3</sup>

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<sup>1</sup> Board of Directors appointed on 23 April 2024.

<sup>2</sup> Appointed by the ERG Power Generation S.p.A. Shareholders' Meeting of 22 April 2024 for the period 2024 – 2026.

<sup>3</sup> Appointed by the ERG Power Generation S.p.A. Shareholders' Meeting of 22 April 2024 for the period 2024 – 2026.



## 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.

In 2021, the Group embarked on a major asset rotation programme aimed at completing its transformation towards a pure "Wind&Solar" business model, which materialised, after the sale of the hydroelectric business in 2022, with the sale of the thermoelectric business at the end of 2023, pursuing the strategic objective of the 2022-2026 Business Plan to focus on the core business of electricity production 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 3,974 MW installed renewable capacity (3,296 MW wind, 666 MW solar, 12.5 MW Storage), operates directly or through its subsidiaries, in the following Geographical Segments:

### ITALY

In Italy, ERG has a total installed capacity of 1,649 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 1,468 MW of installed capacity, and a leading operator in solar power generation with 180 MW of installed capacity.

During the financial year, ERG commissioned its first BESS (Battery Energy Storage Systems) plant in Vicari (Palermo), with an installed capacity of 12.5 MW. The plant, which became operational in November, is located within ERG's electrical substation, to which the nearby wind farms of Vicari (37.5 MW) and Roccapalumba (46.8 MW) are connected.

### ABROAD

Outside Italy, ERG has a total installed capacity of 2,313 MW.

In wind power, ERG is one of the leading operators in Europe with a significant and growing presence (1,603 MW operational), particularly in France (605 MW), Germany (330 MW), the UK (340 MW), Poland (142 MW), Romania (70 MW), Bulgaria (54 MW) and Sweden (62 MW).

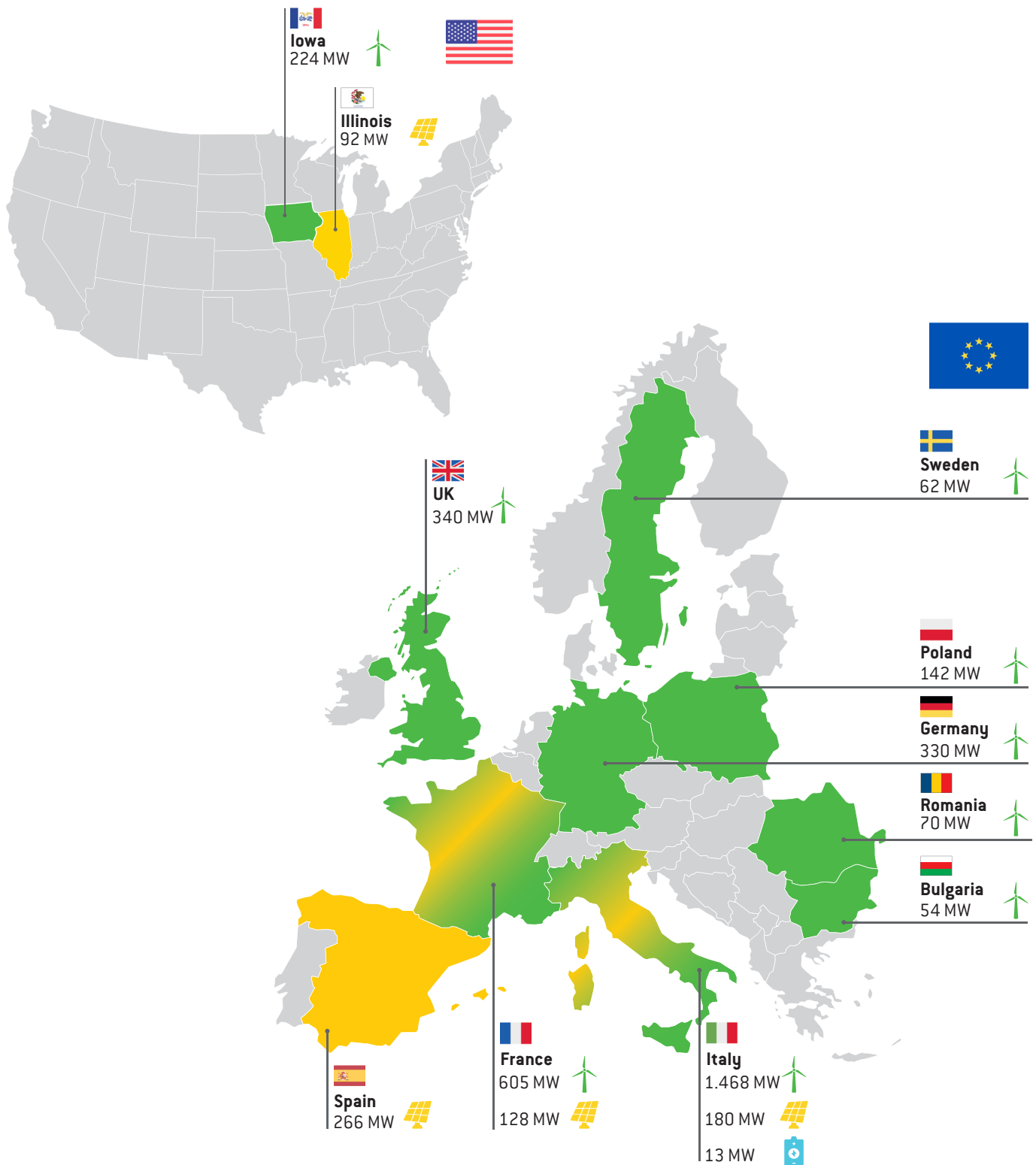
It should be noted that, in accordance with the guidelines of the Business Plan, which provide for geographical repositioning, on 20 January 2026, the Group acquired from OnPath Energy Midco Limited 100% of a group of companies incorporated under British law that own seven onshore wind farms operating in the North of England, with a total installed capacity of 73 MW.

In parallel, the Group sold to Nordetic AB, 100% of ERG Sweden Holding AB, owner of Furukraft AB, the company that owns the Furuby wind farm, located in Sweden, with an installed capacity of 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.

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

## GEOGRAPHICAL SEGMENTS AT 31 DECEMBER 2025



The above map refers to the Group's installed capacity at 31 December 2025.

In January 2026, the Group increased the installed capacity in the UK to 413 MW (+73 MW following the recent acquisition of seven wind farms) and, at the same time, sold the Furuby wind farm in Sweden (62 MW). Following these two important transactions, which took place as part of a geographical repositioning, the Group's installed capacity is equal to 3,985 MW (+11 MW compared to 31 December 2025).



## 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.

Starting from 2024, in line with the objectives of the Business Plan, the Group has implemented an evolutionary path for its operating model in order 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.

Finally, as a confirmation of the interest in Battery Energy Storage Systems (BESS) and with the aim of continuing the development and enhancement of this technology, the BESS Development Programme was launched with the objectives of:

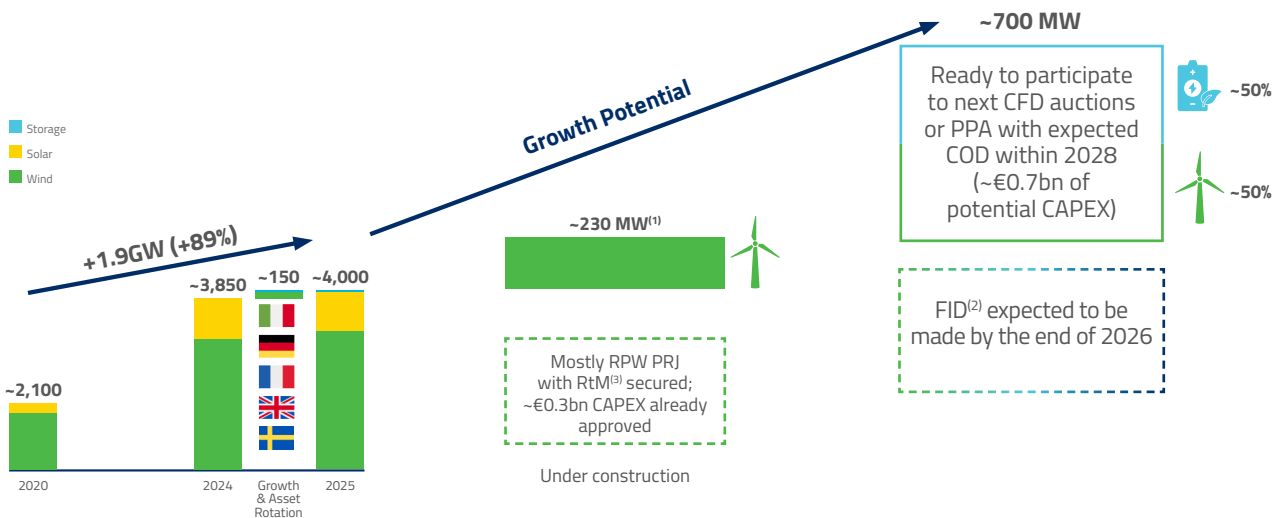
- identifying, designing, authorising and analysing the business cases of storage facilities in the various countries where ERG operates;
- analysing and evaluating any additional opportunities identified and proposed by the Corporate Strategy and Mergers & Acquisitions Organisational Unit.

The implementation of this programme requires a highly cross-functional approach, with the ability to integrate and enhance contributions and knowledge from various business areas. This need has been met through the establishment of a dedicated Working Group.

# STRATEGY

2025 once again proved to be a complex year, characterised by a rapidly evolving geopolitical and macroeconomic environment and by strong price volatility, in a context marked by extreme weather events. At the same time, the year was marked by a shifting geopolitical landscape that significantly influenced energy market dynamics. In the United States, the new administration drastically changed its environmental policies, favouring fossil fuels and ending the country's participation in international climate agreements such as the Paris Agreement. Although there has been substantial confirmation of the climate targets and principles of the Green Deal in Europe, there is still resistance at the political level and implementation delays in various countries. Two priorities to be addressed in the energy market also became evident over the course of the year: on the one hand, energy security has been made more and more urgent by geopolitical tensions and the European need to reduce dependence on imported fossil fuels; on the other hand, the need for flexibility in electricity markets with storage systems and grid infrastructure, which are indispensable for increasing system resilience. Another key issue concerns the electrification of consumption. While electricity generation from renewable sources has grown rapidly over the past fifteen years, European electricity demand has remained stagnant, if not declining. For the energy transition to succeed, electricity generation and demand must grow in a balanced way. Only by expanding and making electricity demand more flexible will it be possible to efficiently integrate new renewable generation, strengthen European energy security and reduce dependence on imported gas. The growing focus on clean technologies confirms the need to continue decisively along the path towards a decarbonised economy. The evolution of the European energy system requires vision, regulatory consistency and adequate infrastructure to support the transition. It is within this context that ERG has reaffirmed its commitment to the sustainable development of its renewable portfolio, adopting a flexible and selective approach focused on quality and value creation. With around 90 years of industrial experience, ERG recognises that the electricity transition is an essential pathway to ensure competitiveness and energy security. For this reason, the Group believes that a European policy framework capable of accelerating the electrification of consumption, promoting the renewal of grid infrastructure and introducing new market mechanisms to support future sector investments is crucial. Only in this way will we be able to help build a stronger and more sustainable future for all the countries in which we operate. ERG also continued its growth journey in 2025, always in line with the "Value over Volume" approach — pursuing selective and flexible growth capable of capturing the most valuable business opportunities.

## A solid and sustainable growth path.



(1) It includes RPW (Repowering) gross capacity  
 (2) FID = Final Investment Decision  
 (3) RtM = Route-to-Market

Repowering remains central to the Group's business strategy, positioning it as a leader in this type of intervention which is essential to the energy transition thanks to a solid and visible project pipeline. Development will focus on the geographical areas where we already operate, and asset rotation could represent a lever for growth, aimed at maximising the value of our investments with the objective of focusing on the countries where we have an industrial presence. We also aim to increase the flexibility of our portfolio by developing battery energy storage systems (BESS) alongside our wind technology development.

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. We reaffirm our commitment to achieving the target of 85%-90% of quasi-regulated EBITDA through long-term support mechanisms, particularly government CFDs and PPAs with leading corporate counterparties across the various geographical areas in which we operate. These long-term contractual arrangements remain fundamental tools for addressing ongoing market volatility.

ERG confirms its commitment to maintaining its financial structure within the current rating class, capable of supporting growth and shareholder remuneration in a sustainable manner.

For the Group, sustainability remains a concrete choice capable of generating long-term value from an economic and social perspective and is fully integrated into its business.

Through its ESG Plan, which is aligned with the United Nations Sustainable Development Goals and structured around four pillars – Planet, People, Engagement and Governance – ERG has defined shared, concrete and measurable objectives. The current commitment focuses on achieving Net Zero by 2040, on the conscious use of resources, including for social purposes, and on promoting Diversity & Inclusion policies for an inclusive workplace.

## CHANGE IN BUSINESS SCOPE DURING THE YEAR

### ▪ Wind – United Kingdom: Broken Cross

On 16 January 2025, ERG, through its subsidiary ERG UK Holding Ltd, finalised the Share Purchase Agreement (SPA) with BayWa r.e AG (signed on 20 December 2024) for the acquisition of 100% of the shares of BayWa r.e. UK (Jubilee) Limited, a company that owns Broken Cross Wind Farm Limited, which owns a 43.2-MW onshore wind farm in South Lanarkshire, Scotland. The wind farm, which entered into operation in the fourth quarter of 2024, consists of nine Nordex N133 turbines, each with a capacity of 4.8 MW and benefits from a 15-year Contract for Difference (CfD) awarded in the AR4 auction, in line with the Group's revenue securitisation strategy. The annual production is estimated at approximately 120 GWh, equivalent to 46 kt of CO<sub>2</sub> emissions avoided each year, equal to the energy needs of over 28,000 households. The enterprise value of the transaction amounts to GBP 60 million. The two newly acquired companies are consolidated on a line-by-line basis starting from 1 January 2025.

During the financial year, the following were also completed:

- the repowering of the Reinsdorf wind farm was completed (+3 MW incremental), with an expected annual output of 11.5 GWh. This project, which has already obtained a twenty-year tariff, is the first full refurbishment of the Group's wind farms abroad.
- the construction and energisation of a new wind farm developed and built in-house by the Group in France, in the Pas-de-Calais region, with a total installed capacity of 18 MW.
- the construction and energisation of the Corlacky wind farm, in Northern Ireland, for a total installed capacity of 47 MW.
- the first BESS (Battery Energy Storage Systems) plant in Vicari (Palermo). The plant is located within ERG's electrical substation, to which the nearby wind farms of Vicari (37.5 MW) and Roccapalumba (46.8 MW) are connected, for a total installed capacity of 12.5 MW.

It should also be noted that, as part of the first auction procedure of the transitional RES-X Ministerial Decree, two complete refurbishment projects (known as 'repowering') were awarded for a total of 141 MW. Specifically, the assignment concerns the wind repowering project in Carlentini (Syracuse) for a total of 97 MW (of which 81 MW will be completely rebuilt) and the project in Greci-Montaguto (Avellino) for a capacity of 44 MW.

### GEOGRAPHICAL RE-FOCUS FOR THE GROUP

As already indicated in the introduction, in accordance with the guidelines of the Business Plan, which provide for geographical repositioning, it should be noted that on 20 January 2026, ERG finalised the agreement with OnPath Energy Midco Limited for the acquisition of a group of British companies that own seven onshore wind farms operating in the North of England, with a total installed capacity of 73 MW.

In parallel, ERG sold to Nordetic AB, 100% of ERG Sweden Holding AB, owner of Furukraft AB, the company that owns the Furuby wind farm, located in Sweden, with an installed capacity of 62 MW.

In view of the above, in the reported financial statements, the accounting results relating to the Swedish asset, which was in the process of being disposed of at the reporting date, are shown separately in accordance with the requirements of IFRS 5.

To enhance understandability of the Group's performance, the adjusted results commented on in this Report also include in ordinary operations the results of the asset being sold at the reporting date. For the reconciliation of these amounts, please refer to the section "Alternative performance indicators".

## SIGNIFICANT EVENTS OF THE YEAR

Date	Geographical segment	Sector	Significant event
13 January 2025	Italy	Wind	ERG and Engie signed a 5-year Power Purchase Agreement (PPA) for the supply of 44 GWh/year of energy produced by ERG wind farms located in Italy and not subject to tariff incentive schemes.
16 January 2025	UK & Nordics	Wind	ERG, through its subsidiary ERG UK Holding Ltd, acquired the entire share capital of BayWa r.e AG from BayWa r.e. UK (Jubilee) Limited, a company that owns Broken Cross Wind Farm Limited, which owns a 43.2-MW onshore wind farm in South Lanarkshire, Scotland.
20 January 2025	Italy	Wind	ERG and Plenitude, a subsidiary of ENI, signed a 5-year "pay as produced" Power Purchase Agreement (PPA) for the supply of approximately 64 GWh/year of energy produced by ERG wind farms in Italy and no longer subject to tariff incentive schemes.
4 February 2025	UK & Nordics	Wind	ERG and Amazon signed a long-term Power Purchase Agreement (PPA). The "pay-as-produced" agreement concerns the supply of energy and REGOs (Renewable Energy Guarantees of Origin) produced by the Corlacky wind farm in Northern Ireland, whose construction will be completed by the end of the fourth quarter of 2025, with subsequent commissioning.
12 February 2025	Italy	Corporate	ERG was listed as a Top Performer in the prestigious S&P Global Sustainability Yearbook 2025, the annual benchmark ranking recognising leading companies in corporate sustainability.
11 March 2025	Italy	Corporate	The Board of Directors of ERG S.p.A. approved the Integrated Consolidated Financial Statements at 31 December 2024 and the Report on Corporate Governance and Ownership.
28 March 2025	Germany	Wind	ERG announced that it won three single-price auctions granting it twenty-year tariffs for the construction and operation of the Heyen, Jeggeleben and Brunsbittel wind farms, totalling 40 MW. ERG also announced the completion of the repowering of the Reinsdorf wind farm (6 MW), with expected annual output of 11.5 GWh. This process will carry on with the recently authorised repowering of the Beckendorf wind farm (13 MW). In the country there is also a greenfield park under construction in Aukrug (22 MW), expected to be completed in the first half of 2026.
8 April 2025	Italy	Corporate	Fitch Ratings agency 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-. In an energy and macroeconomic scenario characterised by increasing volatility, the rating reflects the solidity of the Group's business model and its renewable portfolio.
22 April 2025	Italy	Corporate	The Ordinary Shareholders' Meeting of ERG S.p.A. approved the Financial Statements at 31 December 2024, resolved the payment of EUR 1 per share, appointed the new Board of Statutory Auditors, authorised the repurchase of up to a maximum of 15,032,000 treasury shares and approved the Report on the remuneration policy for 2025 and on the remuneration paid in 2024.
8 May 2025	France	Wind	ERG completed the construction and begun the energisation of the Picardie I 18-MW wind farm in the Pas-de-Calais region of France, which the Group developed and built in-house. The new farm benefits from a 20-year contract for difference (CfD).
18 June 2025	Italy	Corporate	ERG took the top spot in the "Identity Corporate Index 2025" (ICI), the index that analyses the integration of ESG factors into corporate governance and management models. In the 2025 edition, the ranking examined 98 Italian companies, 22 of which belong to the FTSE MIB.
31 July 2025	United Kingdom	Wind	ERG completed construction and started energising the Corlacky wind farm in Northern Ireland, consisting of 11 Vestas V117 turbines at 4.3 MW each, for a total installed capacity of 47.3 MW.



<b>1 August 2025</b>	Italy	Corporate	<p>ERG signed a 15-year Power Purchase Agreement (PPA) with the A2A Group for the total supply of approximately 2.7 TWh of renewable energy from wind sources over the period, starting on 1 January 2027.</p> <p>The agreement provides for the purchase by A2A of clean energy produced by ERG's wind farm in Salemi Castelvetrano in the province of Trapani, the fourth project launched as part of the repowering programme for the plants in its portfolio.</p>
<b>4 September 2025</b>	Italy	Corporate	<p>ERG signed three Power Purchase Agreements (PPAs) with the FS Group for the total supply of 1.2 TWh (185 GWh/year) of renewable energy starting on 1 October 2025.</p> <p>The first contract has a duration of 10 years and provides for the supply of 55 GWh/year, while the other two have a duration of 5 years and provide for the supply of 60 GWh/year and 70 GWh/year respectively. The energy will be supplied by wind farms in ERG's portfolio in Italy that are not subject to incentive schemes.</p>
<b>21 October 2025</b>	Italy	Corporate	<p>Presented in Catania, the new charity-driven solar canopy at the Banco Alimentare della Sicilia warehouses, built thanks to the donation of regenerated modules as part of the Social Purpose for Solar Revamping programme, which will turn energy savings into food aid for the most vulnerable families.</p>
<b>5 November 2025</b>	Italy	Storage	<p>ERG announced the launch of the first BESS (Battery Energy Storage Systems) plant in Vicari (Palermo), with a capacity of 12.5 MW, a nominal storage capacity of 50 MWh and a charge and discharge cycle of approximately 4 hours. The plant is located within ERG's electrical substation, to which the nearby wind farms of Vicari (37.5 MW) and Roccapalumba (46.8 MW) are connected.</p>
<b>1 December 2025</b>	UK & Nordics	Wind	<p>ERG, through its subsidiary Furukraft AB, reached an agreement to sign a 10-year Power Purchase Agreement (PPA) with Skellefteå Kraft AB, a Swedish municipal energy company. The agreement, valid from 1 January 2026, provides for the pay-as-produced supply of approximately 150 GWh per year, for a total of 1.5 TWh, of renewable energy produced by ERG's Furuby wind farm.</p>
<b>3 December 2025</b>	Italy	Wind	<p>ERG was awarded 20-year "pay as produced" tariffs in the first auction procedure under the transitional RES X Ministerial Decree, with two complete refurbishment projects (known as 'repowering') totalling 141 MW. Specifically, the assignment concerns the wind repowering project in Carlentini (Syracuse) for a total of 97 MW (of which 81 MW will be completely rebuilt) and the project in Greci-Montaguto (Avellino) for a capacity of 44 MW. The total installed capacity will be 141 MW, more than double the current capacity (69 MW), with an estimated average annual energy production of over 300 GWh/year, approximately three times higher than the current level. Construction is expected to start at the beginning of 2026, while both wind farms are expected to come into operation in 2027.</p>
<b>11 December 2025</b>	Italy	Corporate	<p>ERG is confirmed as being on the Carbon Disclosure Project's "A list" for the fourth consecutive year. Compared to last year, the Group recorded a clear improvement in the management of emissions and in the objectives of reducing greenhouse gas (GHG) emissions.</p>
<b>12 December 2025</b>	Italy	Corporate	<p>Following Luca Bettonte's resignation from his position as Director of ERG S.p.A. and member of the Strategic Committee (<i>Press Release dated 14 November</i>), the Board of Directors of ERG S.p.A. appointed Paolo Arlandini as the new non-executive Director of the Company and member of the Strategic Committee. The Director will remain in office until the next Shareholders' Meeting of ERG S.p.A., scheduled for 22 April 2026.</p>

## OTHER INFORMATION

It should also be noted that on 1 July 2025, the proportional partial demerger was finalised through the spin-off of the indirect parent San Quirico S.p.A. (which adopted the new name GARMON S.p.A.), with the transfer of part of its assets to a newly incorporated beneficiary company, wholly owned by the former, which assumed the name San Quirico S.p.A.

These changes have had no direct impact on the Company, either in relation to the limited management and coordination activity that SQ Renewables S.p.A. continues to carry out with respect to the Company, or in relation to the entity (namely GARMON S.p.A., formerly San Quirico S.p.A.) which ultimately continues to control ERG S.p.A.



# HIGHLIGHTS

(EUR million)	Reported <sup>(1)</sup>		Adjusted <sup>(2)</sup>	
	2025	2024	2025	2024
<b>MAIN INCOME STATEMENT FIGURES</b>				
Revenue	744	731	753	737
Gross operating profit	543	549	553	555
Operating profit	194	290	281	297
Profit attributable to owners of the parent	104	240	191	211
<b>MAIN FINANCIAL FIGURES</b>				
Net invested capital <sup>(3)</sup>	4,173	4,306		
Equity	4,058	4,106		
Net financial indebtedness (before IFRS 16) <sup>(4)</sup>	(121)	(28)		
Net financial indebtedness (after IFRS 16) <sup>(4)</sup>	115	200		
Ebitda Margin %	73%	75%		
<b>OPERATING DATA</b>				
Total installed capacity at the end of the year	MW	3,974	3,845	
New installed capacity for the year	MW	129		
	<i>of which Wind Italy</i>	MW	0	
	<i>of which Solar Italy</i>	MW	5	
	<i>of which Italy Storage</i>	MW	13	
	<i>of which Wind Abroad</i>	MW	112	
	<i>of which Solar Abroad</i>	MW	0	
Total electricity output	GWh	7,241	6,959	
Production linked to the new capacity for the year		772		
	<i>of which Wind Italy</i>	GWh	237	
	<i>of which Solar Italy</i>	GWh	28	
	<i>of which Italy Storage</i>	GWh	460	
	<i>of which Wind Abroad</i>	GWh	46	
	<i>of which Solar Abroad</i>	GWh		
Gross operating profit				
	<i>Wind Italy</i>		231	250
	<i>Solar Italy</i>		96	90
	<i>Wind Abroad</i>		212	192
	<i>Solar Abroad</i>		18	24
Net unit revenue <sup>(5)</sup>	EUR/MWh	99	102	
Capital expenditure <sup>(6)</sup>	EUR million	229	551	
Employees at the end of the year	Units	445	434	

(1) Reported economic indicators are calculated on the basis of the Consolidated Financial Statements and include special items and related taxes. It should be noted that in the reported financial statements, the accounting results relating to the Swedish asset, which was in the process of being sold at the reporting date, are shown separately in accordance with IFRS 5. The reported income statement figures for the comparative period have been restated in accordance with IFRS 5.

(2) Adjusted economic indicators do not include special items and related taxes and also include in ordinary activities the results of the Swedish asset, which was in the process of being sold at the reporting date.

(3) Net Invested Capital includes the contribution of the wind power asset located in Sweden, sold in January 2026.

(4) Net financial indebtedness includes the contribution of the wind asset located in Sweden, sold in January 2026, and is reported in two measures: "before IFRS 16", excluding the liability related to the application of IFRS 16, and "after IFRS 16", including the aforementioned liability.

(5) 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 with generation/sale including, for example, imbalance costs and market access fees.

(6) In property, plant and equipment and intangible assets. The 2025 figure includes the impact of the acquisition in January 2025 in the United Kingdom (43 MW), while the comparative figure includes the effect of the acquisition in the United States of a wind and solar portfolio for a total of 317 MW.



## COMMENTS ON THE PERFORMANCE FOR THE YEAR

In 2025, **adjusted revenue** amounted to EUR 753 million, up from EUR 737 million in 2024, due to the full contribution of the new capacity progressively installed between 2024 and 2025, largely offset by wind conditions significantly below historical averages in Europe and a scenario of falling prices starting in the second half of 2025.

Output amounted to 7.2 TWh, up from 7.0 TWh in 2024, thanks to the full contribution of new capacity coming on stream in Italy, France, Germany, the UK and the United States (+0.8 TWh, of which +0.3 in the US), partially offset by the extraordinary and persistent lack of wind throughout the year (-0.5 TWh).

**Adjusted gross operating profit**, net of special items, amounted to EUR 553 million, down slightly compared with the EUR 555 million (EUR -2 million) recorded in 2024.

### ITALY

- **Wind (EUR -19 million):** gross operating profit of EUR 231 million, down compared to 2024 (EUR 250 million), due to lower output recorded, stemming from a persistently significant lower wind level in the period. This reduction is partially offset by the full contribution of the repowered and greenfield plants that came into operation in 2024 and the increase in the price of the GRIN incentive (55 EUR/MWh in 2025, 42 EUR/MWh in the 2024). Total output amounted to 2,462 GWh compared to 2,479 GWh in 2024, due to the aforementioned significantly lower wind levels (-10% on a like-for-like basis), partially offset by the contribution from newly commissioned assets (+237 GWh).
- **Solar (EUR +6 million):** gross operating profit of EUR 96 million, up compared to 2024 (EUR 90 million) due to the contribution from the systems undergoing revamping and repowering and improved irradiation, partly offset by lower captured prices. Output totalled 282 GWh, up compared to 241 GWh in 2024.

### ABROAD

- **Wind (EUR +20 million):** gross operating profit of EUR 212 million, up compared to 2024 (EUR 192 million) due to the contribution of new assets and better prices in Eastern Europe and France, partly offset by wind speeds significantly below historical averages in Europe. Total output stood at 3,753 GWh compared to 3,514 GWh in 2024, thanks to the contribution from newly commissioned assets (+460 GWh), largely offset by the markedly lower wind levels (-6% on a like-for-like basis).
- **Solar (EUR -6 million):** gross operating profit of EUR 18 million, down compared to 2024 (EUR 24 million) due to lower prices captured in Spain, partly offset by the full contribution of solar farms in the US and France that became operational in 2024. Output totalled 744 GWh in 2025, compared with 725 GWh in 2024, an increase mainly due to the full contribution of wind farms in the US and France (+46 GWh), offset by lower diffuse radiation.

Overall, the contribution of installed capacity (approximately EUR +62 million) is largely offset by lower production of approximately EUR -47 million and lower sales prices.

It should be noted that the overall gross operating profit is impacted by the electricity price hedging policies implemented in line with the Group's risk policies.

**Adjusted operating profit** amounted to EUR 281 million (EUR 297 million in 2024). Depreciation and amortisation amounted to EUR 271 million, up from EUR 258 million in 2024, mainly due to the full contribution in 2025 of US assets (EUR 6 million)<sup>4</sup> and newly acquired and installed capacity (EUR 10 million), only partly offset by the end of the useful life of some wind farms in Italy and France (EUR 3 million).

The **adjusted profit attributable to the owners of the parent** was EUR 191 million, down compared to 2024 (EUR 211 million), and reflects, in addition to what has already been commented on in relation to operating profit (loss), higher financial expense (EUR +11 million) and lower taxes amounting to EUR 11 million.

The **reported profit attributable to the owners of the parent** amounted to EUR 104 million, down compared to 2024 (EUR 243 million). The amount includes the impairment loss on of photovoltaic farms in Spain (EUR 46 million), following the impairment test procedure, the impairment loss on of the wind power asset located in Sweden, in the process of being sold at the reporting date (EUR 26 million<sup>5</sup>), as well as the impairment losses on of wind assets, subject to repowering (EUR 13.5 million) and photovoltaic assets, subject to revamping (EUR 3 million).

<sup>4</sup> Consolidated from 1 April 2024.

<sup>5</sup> Write-down recognised in application of IFRS 5 on the Swedish wind asset (62 MW), sold on 20 January 2026.



In 2025, **capital expenditure** totalled EUR 229 million (EUR 551 million in 2024<sup>6</sup>) and refers mainly to **capital expenditure on property, plant and equipment and intangible assets** related to the acquisition of a wind farm in the United Kingdom (43 MW), the start of repowering activities on two wind farms in Italy (141 MW of new capacity), the construction of wind farms in the UK (47 MW), Germany (28 MW) and France (18 MW), repowering works in France (23 MW) and Germany (34 MW) and the implementation of the first storage project in Italy (12.5 MW).

**Net financial indebtedness before IFRS 16** totalled **EUR -121 million**, (EUR -28 million at 31 December 2024). The increase is mainly attributable to the operating cash flow for the period (EUR 472 million<sup>7</sup>), partly offset by the payment of dividends to shareholders (EUR 76 million<sup>8</sup>), capital expenditure for the period (EUR 229 million) and the payment of taxes (EUR 47 million).

**Net financial indebtedness after IFRS 16** includes the liability (pursuant to IFRS 16) relating to the discounting of future lease payments, which amounted to EUR 236 million at 31 December 2025, up from EUR 228 million at 31 December 2024, due to the increase in installed capacity.

## REFERENCE MARKET

### PRICE SCENARIO

	Year	
	2025	2024
<b>Base load price scenario (EUR/MWh)</b>		
<b>Italy</b>		
Single National Price (PUN)	116	109
Incentive tariff (GRIN) Italy	55	42
TTF	36	35
CO <sub>2</sub>	74	65
<b>Abroad</b>		
France	61	58
Germany	89	78
Poland	111	107
<i>of which Electricity</i>	104	96
<i>of which Certificates of Origin</i>	6	11
Bulgaria	107	103
Romania	137	133
<i>of which Electricity</i>	108	104
<i>of which Green Certificate</i>	29	29
Northern Ireland	115	109
Great Britain	94	85
Spain	65	63
Sweden SE4	60	50
MISO-MidAm	33	22
MISO-Illinois	39	28

6 The comparative figure includes the impact of the acquisition of a portfolio of wind and solar farms in the United States (total 317 MW).

7 Includes adjusted gross operating profit and the change in working capital.

8 EUR 6 million of which to minorities.

# 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 Ministerial Decree of 4 July 2019, wind and PV compete together for the same capacity allocation under both the registers and the auction procedures, and the FIP takes the form of a "two-way CfD", granting the producer the difference between the tariff awarded in the auction and the market price where the latter is lower than the tariff (or paying back that difference to the regulator where market prices exceed the tariff). 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 no. 57/2023. The last auction pursuant to the Italian Ministerial Decree of 4 July 2019 was held in November 2024.
- The Ministerial Decree of 30 December 2024 introduced a new support mechanism for renewable energy plants (RES-X MD), providing for a single auction in 2025 with capacity quotas differentiated by technology. The incentive, regulated through a two-way CfD mechanism, is granted for 20 years on 95% of the plant's output (or on the basis of its expected generation, in specific cases such as production constraints requested by the grid operator).
- Plants undergoing full reconstruction (repowering) may participate in the auctions, competing directly with new plants without any tariff reduction. For capacity increases of less than 20%, a "gradation" coefficient D equal to 0.9 is applied to the incentive component (understood as the difference between the awarded tariff and the hourly zonal price). No reduction is applied where the capacity increase is equal to or greater than 20%.

### 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:
  - 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;
  - an initial period of incentive reduction followed by a subsequent period of increase thereof for an equivalent amount;
  - 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:
  - they are authorised;
  - they use new components;
  - 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.
- The Ministerial Decree of 30 December 2024 introduced a new support mechanism for renewable energy plants (RES-X MD), providing for a single auction in 2025 with capacity quotas differentiated by technology. The incentive, regulated through a two-way CfD mechanism, is granted for 20 years on 95% of the plant's output (or on the basis of its expected generation, in specific cases such as production constraints requested by the grid operator).
- Refurbishments and full reconstructions may participate in the auctions, limited to the new section of the plant, without any tariff reduction. For capacity increases of less than 20%, a "gradation" coefficient D equal to 0.9 is applied to the incentive component (understood as the difference between the awarded tariff and the hourly zonal price), or equal to 0.95 in cases where the capacity increase is equal to or greater than 20%.

## 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 year.
- 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 European Commission.
- 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. Starting from 2026, the threshold for participation in auctions is lowered to 200kW.

### 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 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.

# RELEVANT LEGISLATIVE AND INSTITUTIONAL UPDATES DURING THE YEAR

## EUROPEAN UNION

### European targets for 2040

The European Commission has presented its proposal for the new 2040 climate target, setting a 90% reduction in net greenhouse gas emissions, to be implemented through amendments to the European Climate Law. The package forms part of the post-2030 framework and is consistent with CISAF and the Competitiveness Compass. The proposal introduces a more flexible approach compared with the 2030 target of -55%, providing for cross-sector flexibility mechanisms to ensure a transition that is economically efficient and socially fair. Incentives are also envisaged to develop a robust CO<sub>2</sub> removals market, aimed at offsetting residual emissions in the hardest-to-abate sectors, together with a revision of the ETS and the LULUCF Regulation. From 2036, high-quality international credits may be used. The proposal is now under consideration by the Parliament and the Council.

### Clean Industrial Deal and Affordable Energy Action Plan

The European Commission has presented the Clean Industrial Deal (CID), an operational plan aimed at supporting the competitiveness and resilience of European industry, accelerating the decarbonisation process while simultaneously ensuring a secure future for the manufacturing sector. Among its various pillars, the plan also includes targeted actions to ensure the supply of affordable renewable energy. Measures announced include a pilot programme to incentivise the signing of PPAs, guaranteed by the European Investment Bank (EIB); the publication of new State aid guidelines; and a package to implement and strengthen European energy grids, with a particular focus on cross-border networks. Key objectives include achieving a 32% electrification rate by 2030 (compared with the current 23%), the installation of 100 GW of renewables by the same date, and a reduction in electricity taxation.

### CISAF - Guidelines on State Aid

The European Commission has adopted a new framework for State aid in support of the Clean Industrial Deal, known as CISAF (Climate, Energy and Environmental State Aid Framework), with the aim of promoting the development of clean energy, industrial decarbonisation, and green technologies in Member States. CISAF sets out the conditions under which Member States may grant aid compatible with EU competition rules, thus enabling support for strategic investments for industrial transition. The new framework aims to facilitate the rapid approval of aid by the Commission, through instruments such as contracts for difference (CfDs), designated as the sole valid form of support for renewables in order to accelerate their deployment. The new instrument will remain in force until 31 December 2030.

### Phase-out of Russian gas

The European Parliament and the Council have reached a historic agreement on phasing out Russian gas, while providing for a transitional period. Specifically, for short-term contracts, the final deadline for gas transported by land will expire in June 2026, while for LNG it is set for April 2026. For long-term supply contracts, these deadlines are postponed to January 2027 for LNG and to September 2027 for pipeline gas. However, if gas storage filling targets are not met by early November 2027, derogations are envisaged. In addition to strengthening the Commission's supervisory powers, the Regulation requires Member States to adopt national plans to diversify their gas supplies.

### Net Zero Industry Act

The European Commission has published four secondary legislative acts under the framework of the Net Zero Industry Act (NZIA). Such acts are intended to make European industry more resilient, competitive, and decarbonised. Measures adopted include the introduction of so-called "non-price criteria" for auctions supporting the development of new RES installations: from December 2025, this measure will apply to at least 30% of the auction volume (or 6 GW per year). The Commission has also compiled a list of end products from net-zero technologies and related components that are subject to potential dependencies on third countries, for which the "resilience" criterion must be applied. Finally, the NZIA allows net-zero technology manufacturing products to apply for designation as a "strategic project".

### Grid Package

At the end of the year, the Commission published the long-awaited package containing various strategic measures aimed at modernising and expanding European grids in line with the climate commitments undertaken. Among the most significant elements is the simplification of permitting procedures for renewable plants, repowering, BESS and grids. In particular, the principle of Overriding Public Interest established under RED III is extended to grids as well. Furthermore, the Grid Package prohibits the designation of large areas as unsuitable for renewable energy. The publication of the guidelines on two-way CfDs, and their integration with PPAs, was equally anticipated. This is a non-binding document intended to promote best practices relating to public support mechanisms. In particular, the Commission highlights the need to adapt incentive schemes to the needs of the electricity system. To this end, the guidelines invite Member States to favour production-independent mechanisms rather than production-based ones.

### Carbon Border Adjustment Mechanism (CBAM)

As part of the Omnibus package, the Council adopted an amending Regulation to the CBAM, which will enter into force on 1 January 2026. The amendments primarily concern procedural aspects and are intended to reduce compliance costs and enhance regulatory clarity, particularly for the benefit of SMEs. In particular, a de minimis threshold has been introduced, excluding imports of up to 50 tonnes per year from the scope of the CBAM. Further simplifications to data collection procedures are also envisaged.

### Common Understanding Policy Paper between the EU and the UK

On 19 May, a cooperation agreement was reached between the EU and the UK on energy and energy security, maintaining decarbonisation goals as a priority. Specifically, the agreement provides for the possibility of exploring the terms of UK participation in the EU internal electricity market. It also foresees linking the UK Emissions Trading Scheme (ETS) to the European version. This agreement will help reduce barriers to economic growth and support lower energy prices.

## ITALY

### ■ ARERA - resolution no. 128/2025 on the limitations of RES plants

As of 1 April 2025, ARERA has extended the “Missed Wind Output” mechanism to all non-programmable renewable energy plants, regardless of plant size. This also allows PV plants to receive compensation when they are limited by Terna. The GSE will be responsible for establishing the methodology for calculating producible energy, required to determine compensation. Compensation will now be calculated based on 15-minute intervals (previously based on hourly intervals). The Reliability Index (Indice di Affidabilità - IA) has been eliminated for RES sources other than wind.

### ■ Italian Decree Law no. 21 of 20 February 2026 (so-called Energy/Bills Decree Law)

The Italian Decree-Law no. 21/2026, presented as a measure aimed at supporting households and businesses in reducing energy costs, introduces provisions that will have significant effects on the energy sector and on market operators.

The decree provides for an increase in IRAP for the energy sector: from the tax period following 31 December 2025, the rate is increased by two percentage points, covering activities relating to the generation, transmission and distribution of electricity.

The decree assigns to ARERA the task of defining a reimbursement mechanism in favour of thermoelectric producers, limited to gas used for electricity generation fed into the grid, to cover costs related to ETS compliance and gas transport. ARERA will also assess opportunistic conduct on the wholesale electricity market pursuant to REMIT. The provision stipulates that the ETS cost reimbursement mechanism must be authorised in advance by the European Commission. The decree introduces a liquidity service managed by ARERA, with the aim of reducing the TTF-PSV spread.

For photovoltaic plants with a capacity exceeding 20 kW benefiting from the Conto Energia schemes (I–IV), a voluntary option is introduced to adhere to an “incentive spread” mechanism for schemes expiring from 2029 onwards, together with the possibility of termination by 30 September 2026.

In addition, the decree introduces a reform of grid connections, providing for the abandonment of the first-come, first-served approach in favour of a more transparent and non-discriminatory mechanism, promoting projects with a higher likelihood of completion, as well as shorter timelines for the permitting process. Upon the entry into force of the new ARERA rules, connection offers granted to plants not authorised or not validated by the grid operator will lapse. Operators may participate in the new procedures (“open season”) without losing preparatory activities not related to the connection solution, and pending procedures will resume from the submission of the new connection solution.

Through the decree, the GME PPA noticeboard is expanded to facilitate the long-term contracting of renewable energy with a public last-resort guarantee, including incentive premiums for formerly subsidised plants selected by Acquirente Unico.

### ■ Italian Decree Law no. 19 of 28 February 2025 (so-called Bills Decree Law)

With a funding allocation of EUR 3 billion, this decree aims to reduce the impact of high energy bills for vulnerable customers, SMEs and energy-intensive users. Notable changes include the removal of penalties for repowering projects that had not adhered to the so-called “incentive allocation” scheme. Furthermore, amendments have been introduced to the authorisation procedures for repowering projects. Among these changes, it is noteworthy that an Environmental Impact Assessment (EIA) is no longer required if the power increase is less than 30 MW and the plant is built within the same perimeter as the previous plant.

Finally, the Decree establishes a two-way Contract for Difference (CfD) mechanism with a five-year duration for plants that have reached the end of their incentive period; however, implementation details remain to be defined.

### ■ Regulatory developments on “Suitable Areas”:

On 15 May 2025, the Regional Administrative Court of Lazio (TAR Lazio) ruled on the Ministerial Decree on Suitable Areas, annulling the provisions that allowed — rather than required — the Regions to recognise as suitable those areas identified under Article 20 of Italian Legislative Decree no. 199/2021. According to the Court, the text does not provide sufficient and binding guidance for the Regions, leaving too much room for varied interpretations and thereby undermining uniform implementation across the national territory.

Among the provisions annulled, the TAR particularly struck down the article that left the Regions with the discretion (rather than the obligation) to confirm areas already designated as suitable at national level. The TAR also clarified that areas considered “unsuitable” should not be viewed as automatically prohibited: projects must still be assessed on a case-by-case basis. The government intervened by approving the Energy Decree Law in November. This legislation requires the Regions to designate suitable areas by means of regional law, without the possibility of introducing criteria more restrictive than those laid down by national legislation. The buffer zone around industrial complexes has been reduced from 500 to 350 metres; existing renewable plants do not fall within that definition. A definition of agrivoltaic plant has also been introduced, to which the restrictions applicable to ground-mounted PV installations on agricultural land do not apply. A safeguard clause has been confirmed for plants in respect of which a declaration of admissibility had already been obtained.

### ■ Amendments to the Consolidated Renewable Energy Act (TU FER)

With Italian Legislative Decree no. 178/2025, the Government intervened to amend certain procedural aspects of the Consolidated Renewable Energy Act (Italian Legislative Decree no. 190/2024).

In particular, several definitions have been revised, including that of “essential infrastructure”; the duration of certain administrative procedures — including the Single Authorisation — has been reduced; and a single contact point has been established at municipal level. The removal of the municipalities’ power to appeal to the Presidency of the Council of Ministers to block projects that have already been authorised is a positive development. Measures relating to territorial compensation have also been amended. It is worth noting that, for repowering projects, the Simplified Authorisation Procedure (PAS) may be used where the new plant occupies an area covering less than 20% of the land previously affected by the existing installation, regardless of any increase in installed capacity.

### ■ Italian Decree Law on catastrophic insurance policies

From 31 March 2025, all companies registered in the Italian Companies Register are required to take out insurance policies covering direct damage caused by natural catastrophic events. For large companies (with more than 250 employees), the obligation begins on the same date but includes a 90-day transition period, until 30 June 2025, during which they will still be eligible for public incentives and contributions.

Policies must be issued by authorised entities and comply with the requirements set out in Italian Ministerial Decree no. 18/2025, covering all company assets exposed to risk — such as buildings, plants, machinery and inventories — from natural events including earthquakes, floods, landslides, volcanic eruptions, and other disasters recognised by the competent authorities.

### ■ Transitional RES-X Ministerial Decree

The Ministry for the Environment and Energy Security (MASE) published the ministerial decree setting out the eligibility criteria and operational mechanisms of the Transitional RES-X scheme, under which a single auction was held in September 2025. The decree provided for a competitive downward auction with dedicated capacity quotas (solar PV and onshore wind) for a total capacity of 10 GW. In December, the auction results were published, showing a high level of competitiveness among operators. With regard to photovoltaic technology, against an available capacity of 8 GW, 7.7 GW were awarded at a weighted average price of 56.825 EUR/MWh. By contrast, contracted wind capacity amounted to 940 MW, out of

an available 2.5 GW. The weighted average price of the successful wind projects was 72.851 EUR/MWh. The failure to fully allocate the target quotas was largely linked to the dynamic quota mechanism, which — in order to foster competition — reduced the assignable capacity as the bid price increased. The ERG Group was awarded the repowering projects relating to Carlentini, Montaguto and Greci at a price of 74.9 EUR/MWh. It is noteworthy that approximately half of the wind capacity awarded concerns repowering projects, confirming the soundness of the industrial strategy adopted by the ERG Group.

#### ▪ RES NZIA Auctions

In September, the update to the Operational Rules of the Transitional RES-X Decree was published, introducing specific provisions for NZIA auctions reserved for photovoltaic plants with an installed capacity exceeding 1 MW. In line with the European NZIA Regulation, non-price criteria aimed at rewarding resilience were defined. In particular, the Italian rules provide that at least one of the following components — modules, cells or inverters — must not be manufactured or assembled in China or by a company attributable to Chinese ownership.

#### ▪ Energy Release 2.0

In November, the operational rules for the implementation of Energy Release were published. This support measure aims to grant energy-intensive consumers electricity at a capped price (65 EUR/MWh) for three years, in exchange for a commitment to support the development of new renewable plants with a total capacity equal to twice the volume of energy advanced. In July, the measure received clearance from the European Commission, which, through a Comfort Letter, introduced a competitive downward auction for the subscription of 20-year two-way CfDs with the GSE. The operational rules specify that, once the twenty-year repayment period has ended, any residual benefit must be repaid either through the extension of contractual obligations for up to a further twenty years, the settlement of the outstanding advantage, or the transfer of the assets to the GSE.

#### ▪ MACSE (Centralised Allocation Mechanism for Energy Sustainability)

On 30 September 2025, the first auction under the MACSE scheme was held, the new support instrument devised by Terna to foster the development of BESS in Italy. Through this measure, the TSO aims to secure a high level of flexibility to address the challenges arising from the energy transition. The capacity put out to tender amounted to 10 GWh, allocated across the Centre-South, South and Islands market zones. Although further auctions are envisaged in the coming years, no schedule has yet been published. Despite a cap price set at 37,000 EUR/MWh/year, the weighted average awarded price was 12,959 EUR/MWh/year. The auction was heavily oversubscribed, with bids exceeding more than four times the capacity requested by Terna. Most of the capacity was awarded to ENEL and ENI.

#### ▪ TERNA grid development plan

The plan aims to set priorities for key infrastructure projects for the Italian electricity grid over the 2025–2034 period. The plan identifies priority projects to optimise grid operation while promoting investment in RES and BESS. With an estimated budget of EUR 23 million, the plan is intended to strengthen the national grid, making it more sustainable, independent, and efficient. From 2030, the interventions are expected to increase inter-zonal transfer capacity by 7 GW. As for cross-border interconnections, the plan foresees a 40% increase.

## GERMANY

#### ▪ Energy Industry Act & Renewable Energy Sources Act

The German Parliament has adopted measures to amend the Energy Industry Act (EnWG) and the Renewable Energy Sources Act (EEG), which will come into force on 1 March 2025. Specifically, the amendments stipulate that new PV plants will no longer receive EEG incentives for electricity fed into the grid during periods of negative prices. To offset the losses caused by this measure, the compensation period has been extended to 20 years. Regarding onshore wind power, the reforms aim to rationalise available land to support development: each municipality will be able to define suitable areas according to local needs. In all German Länder, however, designated areas for onshore wind remain below the 2% target.

#### ▪ Implementation of RED III

The German Parliament approved the law implementing RED III. The legislation streamlines the permitting process for renewable energy plants: applications may be submitted to a single authority and, from November onwards, the process will be fully digitalised. "Acceleration areas" are introduced for onshore wind, where turbines and storage facilities may be co-located and authorised more swiftly. The approval of projects outside these areas will in any case be subject to defined timelines, ranging from one month to two years. The law also provides for simplified procedures for repowering, including the expedited involvement of military and aviation authorities.

#### ▪ Simplification for BESS

The German Federal Parliament has approved an amendment to the Building Code as part of an omnibus package which, inter alia, addresses grid connections and the digitalisation of permitting procedures. With regard to BESS with a capacity exceeding 1 MW, the amendment introduces a simplified permitting procedure (to be completed within three months), classifying them as being in the public interest. At the same time, Parliament has repealed the provision that imposed double taxation on BESS when charging from and discharging to the grid. At the same time, Parliament has repealed the provision that imposed double tariff charges on BESS during both the withdrawal of electricity from, and the injection of electricity into, the grid, thereby improving their economic efficiency.

#### ▪ State aid in support of German industry

The government has approved a package of measures aimed at reducing electricity bills for industrial and agricultural consumers, through the introduction of new State subsidies amounting to EUR 6.5 billion for 2026 and EUR 26 billion in total over the following four years. According to estimates, network tariffs will decrease on average by more than 50%, falling from 66.50 EUR/MWh to 28.60 EUR/MWh. The measures pursue a twofold objective: on the one hand, to support the competitiveness of the German industrial system; on the other, to promote the electrification of industrial consumption.

#### ▪ Electricity taxation

The Bundesrat has approved a series of amendments to the Electricity Act, in force since 23 December 2025, with the aim of reducing administrative burdens and simplifying the tax treatment of photovoltaic systems, storage facilities and charging infrastructure, while maintaining subsidies for industry, agriculture and forestry at the minimum levels permitted under EU law. The new rules formally recognise storage as a flexibility asset, avoiding the double taxation of electricity injected into and withdrawn from the grid and improving the bankability of hybrid projects. Batteries and RES operators are also partially exempt from the obligations typically imposed on suppliers, while PV plants below 2 MW are no longer classified as "suppliers". A uniform definition of "plant" is introduced and multi-site aggregation is abolished. With regard to electric mobility, the taxable person becomes the charging point operator, with an exemption for bidirectional charging where the electricity remains on site. Finally, the list of exempt renewable technologies has been revised, with biomass, biogas from effluents and landfill gas no longer included.

### ▪ Support mechanism for synthetic inertia

Germany is the first European country to introduce a market mechanism to remunerate the provision of synthetic inertia by grid-forming inverter-based plants, such as BESS, which are becoming necessary in light of the increasing penetration of renewable energy sources. German transmission system operators have launched the first market-based procurement mechanism for instantaneous reserve, a tool required to ensure the long-term stability of the electricity system. Demand for this type of reserve is growing rapidly due to structural changes in the power generation mix and the rising volumes of cross-border exchanges. With the progressive phase-out of conventional power plants, provision will increasingly have to come from converter-based resources, such as BESS, wind and photovoltaic. Procurement volumes are derived from the 2025 System Stability Report, while the regulatory framework was defined by the Federal Network Agency in April 2025. The new scheme, active from 22 January 2026 to 31 December 2031, provides for fixed-price remuneration for reserve availability, with contracts ranging from two to ten years. The initiative of the German TSOs represents a first European benchmark in the procurement of instantaneous reserve.

## FRANCE

### ▪ PPE3 – Multi-year Energy Programme

The French Government has published Decree no. 2026-76 of 12 February 2026 concerning the new energy planning framework. While less ambitious on renewables than the draft circulated in March 2025, it maintains the expected capacity targets and the CfD auction timetable. In particular, two annual auctions of 925 MW each remain scheduled for onshore wind, together with 1 GW auctions for photovoltaic. The 2030 wind target has been slightly revised downwards from 33 to 31 GW, as has photovoltaic, from 54 to 48 GW. At the same time, the anticipated hybrid market model for the BESS sector is taking shape: on the one hand, RTE centralises the monitoring of flexibility solution development, issuing annual recommendations; on the other, the Government integrates storage systems into existing markets — including the spot market, ancillary services through dedicated Enedis/RTE auctions, and the updated capacity market.

### ▪ 2025 Finance Law

The Finance Law, Law no. 851 was approved at the beginning of February despite significant French political fragmentation. The law sets the preliminary framework for energy pricing from nuclear production post-2025, including measures related to negative pricing. Electricity from nuclear sources will be sold on the market and taxed above a certain revenue threshold. Clarifications are awaited on production curtailment requests and the mechanism for negative pricing. Under the law, EDF and local distribution companies with purchasing obligations can request producers to reduce or suspend generation in order to limit public subsidy costs, with compensation foreseen. On the other hand, the law clarifies how negative market prices affect the payment of premiums and under what circumstances producers are required to suspend generation.

### ▪ 2026 Finance Law

The Loi de finances for 2026, published on 20 February, contains significant measures for renewable energy plants, including amendments to the IFER tax applicable to photovoltaic and wind. Article 183 also introduces a new mechanism for the removal of caps on negative premiums: all post-2022 contracts providing for a complément de rémunération and a maximum cap on amounts due in the event of negative monthly premiums will be amended with retroactive effect from 1 January 2022 to 31 December 2050. The CRE will issue an opinion setting out the market price scenarios underlying the annual threshold prices, specific to each technology. Subsequently, the Ministries for Energy and for the Budget will adopt a decree establishing the final amounts.

Any repayments relating to the years 2022–2025 may be determined once the consultation has been completed and the threshold prices have been defined by the competent regulatory authority.

### ▪ Compensation for negative price hours – subsidised plants

In September, the Ministry published a new decree aimed at ensuring that producers benefiting from the Complément de Rémunération mechanism receive compensation also during negative price hours, provided that they undertake to adjust their production to the needs of the electricity system by suspending injection into the grid during periods characterised by negative prices. In order to preserve an adequate level of operational flexibility, the government introduced a buffer zone down to –0.10 EUR/MWh, within which plants may continue to generate. Below that threshold, in order to benefit from compensation, plants are required to cease feeding electricity into the grid. A five-minute window before and after the negative price event is also provided for, aimed at ensuring greater operational flexibility. As regards plants supported under the Obligation d'Achat scheme, participation in the balancing market is now permitted.

### ▪ New decree on onshore wind farms near military sites

The decree sets out more transparent constraints and restrictions for the construction of onshore wind farms in the vicinity of military installations. In particular, construction is prohibited within a 5 km radius of military installations. Between 5 and 15 km, a mandatory assessment by the Ministry of Defence is required. In the event of opposition, the Ministry of the Armed Forces is now required to provide reasons for its refusal. Beyond 15 km, installations are presumed not to have adverse effects on military interests. Beyond 70 km, installations with a height of less than 200 metres are deemed compatible. The decree does not provide specific guidance on repowering projects. While reducing the discretionary powers previously attributed to the Ministry of Defence, the measure maintains its right of veto in certain specific cases.

### ▪ TURPE update and new rules for electrochemical storage

The new version of TURPE 7 introduces a transitional and optional tariff specifically for electrochemical storage systems (BESS), with the aim of encouraging operation more closely aligned with grid needs. Applicable from 1 August 2026, the tariff may be voluntarily selected by operators, who must however retain it for at least 12 months. Through this measure, the CRE intends to shift from a “market-driven” model to a “grid-driven” one, initially available only in certain network areas characterised by more predictable peaks. The decision introduces a differentiated pricing mechanism based on local consumption and renewable generation, allowing BESS — for the first time — to access optional and geolocated tariffs, which may even be negative during peak hours in areas with high renewable penetration. The objective is to properly value the services provided by batteries, rather than merely penalising them through access charges. The CRE plans to extend this instrument to the whole of mainland France under TURPE 8.

### ▪ Law no. 2025-127

The new decree, in force since 25 December 2025, authorises EDF OA to request that producers reduce or halt generation during periods of negative prices. The measure applies to onshore wind and ground-mounted photovoltaic plants with a capacity of 10 MW or more, and to rooftop PV installations exceeding 12 MW. Requests for curtailment must be communicated on a D-1 basis: until 31 December 2027, at least 30 minutes before the time of grid access (i.e. by 16:30 on the preceding day), while from 2028 the notice period will increase to two hours. Producers receive monthly compensation, calculated as if EDF OA had purchased the estimated output during the periods in which they complied: equal to 25% of the tariff for wind and 4.7% for photovoltaic.



### ▪ Introduction of a centralised capacity market

In January 2026, the European Commission approved the French capacity market mechanism under the State Aid framework. The new mechanism will focus on ensuring winter energy supply, starting from winter 2026/27. RTE will procure capacity in a centralised manner, with the objective of promoting new capacity at minimum cost, through intermediate price caps for existing capacity and volume caps for the allocation of multi-year contracts. The new mechanism will remain in force for ten years, in accordance with the scheme approved by the Commission, subject to any future amendments. Dedicated quotas are also envisaged for batteries and demand response.

## UK

### ▪ REMA – Decision to maintain the single national price

Under the REMA programme, the government had been considering two general approaches to wholesale electricity market reform: the introduction of zonal pricing, which would divide the market into several national zones; or the retention of a single national price alongside substantial reforms and more coordinated system planning.

The government has decided to maintain a wholesale electricity market with a single national price across Great Britain, thereby excluding zonal pricing. Instead, it will implement an ambitious reform of the national model via a coherent package of measures aimed at enhancing the current system's effectiveness. The reforms aim to improve strategic coordination, provide clearer signals for efficient allocation of plants, and increase overall operational efficiency, while offering greater stability and certainty for investors.

### ▪ Industrial strategy to support energy-intensive users

The government has published a new Industrial Strategy outlining a ten-year plan to stimulate investment by addressing two key barriers to industrial development: the high cost of electricity and lengthy grid connection times. From 2027, the British Industrial Competitiveness Scheme will be introduced to reduce electricity costs by up to 40 GBP/MWh for over 7,000 energy-intensive manufacturing companies. At the same time, support for the most energy-intensive industries – such as steel, chemicals, and glass – will be enhanced by increasing the network cost discount from 60% to 90% through the British Industry Supercharger programme. To ease access to the grid for strategic industrial projects, a new service, the Connections Accelerator, will be launched to speed up connections, prioritising initiatives that generate quality employment and significant economic benefits.

In parallel with the Industrial Strategy, the government has also published the Clean Energy Industries Sector Plan, aiming to double annual investment in clean energy industries to over GBP 30 billion, in line with the European Clean Industrial Deal.

### ▪ TNUoS tariffs for 2025/26

The electricity system operator in Great Britain, NESO, has published the final TNUoS (Transmission Network Use of System) tariffs for the tariff year 2025/26, which will begin on 1 April 2025 and end on 31 March 2026. As no changes were approved to the calculation methodology with respect to the preliminary tariffs, no further changes have been incorporated into the final tariffs. The total recoverable revenue amounts to GBP 5.1 billion, down by GBP 416.39 million compared to the preliminary estimate but up by GBP 898.47 million compared to 2024/25 levels. For energy producers, the expected recoverable revenue amounts to GBP 1.13 billion for 2025/26, a reduction of GBP 33.4 million from the initial forecast, largely due to decreased revenue from offshore local tariffs.

Moreover, in October the UK regulatory authority (Ofgem) rejected the proposal to introduce a cap and floor mechanism on TNUoS charges, considering that such a measure could

have a negative impact on competition due to the potential for unforeseen gains and losses for generators.

### ▪ New Revision of the GB Pricing Methodology approved by Ofgem

The United Kingdom has launched the three-year review of the "GB Pricing Methodology", which introduces derogations from Article 6 of EU Regulation 2019/943, retained in domestic legislation following Brexit. In 2025, the TSO NESO published a proposal to update the methodology, which was subsequently approved by Ofgem on 20 May. The new framework defines when marginal pricing (pay-as-cleared) should apply to the valuation of balancing energy and in which cases alternative methods should instead be used, adopting an approach tailored to the British market. The updated methodology governs the pricing of balancing services relating to FCR, mFRR and RR, excluding those intended to be phased out. Appendix B of version 2.0 specifies, for each product, whether pricing follows a pay-as-cleared or pay-as-bid approach. As regards the Balancing Mechanism, which remains pay-as-bid, NESO envisages a structural review as part of the broader REMA programme.

### ▪ Update to the Grid Code to improve battery integration

Modification GC0166 to the Grid Code, published by Ofgem on 22 October, introduces new parameters aimed at improving the integration of battery energy storage systems (BESS) into the Balancing Mechanism. The reform is linked to modification P499 of the Balancing & Settlement Code, approved by the BSC Panel, and introduces three key new elements: the Maximum Delivery Offer (MDO), the Maximum Delivery Bid (MDB) and the Future State of Energy (FSoE). These dynamic parameters enable a more accurate representation of the actual capacity of Electricity Storage Modules, increasing visibility over their state of charge and promoting more frequent use within the dispatch order, thereby reducing skip rates. The objective is to establish a structural solution for communicating the State of Charge (SoC) between batteries and the TSO control room. Go-live is scheduled for 5 November 2025, while implementation of P499 will take place on 25 June 2026.

### ▪ Financing of the renewable support mechanism through the public budget

The UK Government has decided to partially fund the Renewable Obligation (RO) mechanism for a period of three years, shifting a significant portion of the costs from household electricity bills to the public budget, alongside a change in indexation from RPI to CPI starting from fiscal year 2026–27. From 2026 to 2029, the State will reimburse suppliers for 75% of the domestic share of the RO scheme, at an estimated cost of approximately GBP 2.3 billion per year. The measure is expected to deliver average savings of around 8% on household electricity bills, although the intervention is limited to the specified three-year period. Introduced as the United Kingdom's first renewable support scheme, the RO is financed through environmental levies which, together with charges funding CfDs, the Capacity Market and the RAB model for Sizewell C, are projected to rise sharply to nearly GBP 19 billion by 2030.

## SPAIN

### ▪ Changes to voltage control regulation

Following the blackout on 28 April, the CNMC, Spain's competition and markets authority, approved the resolution to develop a voltage control service within the mainland electricity system, effective from 27 June. The new framework classifies voltage control as a structured, remunerated, and penalty-regulated service, with the aim of establishing new local markets capable of contracting capacity on a regional basis. Operational Procedure 7.4 defines the technical standard that will also allow renewable sources to contribute to voltage control. The basic requirements remain similar to current ones, requiring

generators to maintain the ability to generate or absorb reactive power at the plant busbar level. There is also a provision for real-time setpoint throughput sent by the grid operator, reserved for installations  $\geq 5$  MW connected to the transmission grid, on a voluntary basis. In addition, in October the CNMC approved urgent and temporary amendments to the Spanish electricity grid operational procedures, proposed by the TSO, concerning voltage control. These measures introduce stricter obligations for generators, aimed at compensating for upward reserve shortfalls and strengthening data collection requirements.

- **Public funding to support storage**  
In May, the Ministry for the Ecological Transition launched a funding programme to support battery development in Spain. The project aims to create facilities with a minimum capacity of 1 MW, either standalone or hybrid, to be located primarily in less developed Autonomous Communities and municipalities (Andalusia, Castilla-La Mancha, Ceuta, Extremadura, and Melilla).
- **Amendments to the Régimen Específico in support of hybridisation**  
The Ministry has amended the Régimen Específico (RECORE) by revising certain key parameters for the calculation of equivalent operating hours, now including hours subject to curtailment due to technical constraints or characterised by negative prices, provided that such conditions persist for at least six consecutive hours. The new provisions allow the integration of storage systems with existing plants already benefiting from incentives. As a result, hybrid projects (RES + BESS) may also access compensation mechanisms. The measure is favourable, as it contributes to enhancing the overall flexibility of the Spanish electricity system.
- **New support measures for RES and BESS**  
Following the blackout that affected Spain in April, the Ministry for the Ecological Transition adopted a specific Royal Decree aimed at promoting the development of renewables and BESS, particularly in hybrid configurations. At the same time, the Government seeks to encourage the electrification of consumption — with particular focus on industrial demand — by providing for the simplification of grid connection procedures. In addition, the Ministry has undertaken to publish, within nine months, a national roadmap to support repowering projects, setting out specific targets, financing instruments and regulatory procedures.
- **New framework for grid connections**  
The new regulation sets out the methodology and conditions for access to and connection with the transmission and distribution networks for electricity demand facilities, including storage installations, whether new or modified. Access capacity is determined on the basis of three technical criteria — robustness, static network behaviour and dynamic stability — applied at both nodal and zonal level. For conventional demand, access capacity is firm and guarantees the right to continuous supply. For storage operating in consumption mode, however, capacity is classified as flexible and may be subject to real-time limitations by the grid operator. The regulation also introduces specific power limits by voltage level and system, and allows the use of probabilistic criteria. REE will publish monthly capacity maps starting from 2 February 2026, from which date the new methodology will apply to access requests.

## EASTERN EUROPE

- **Romania: Extension of the revenue cap mechanism for producers and operators in the electricity market**  
The revenue cap mechanism for producers and operators in the electricity and gas markets has been extended from 1 April to 30 June 2025. It applies to producers, traders, aggregators, and hedging contract counterparties, excluding plants commissioned after 1 April 2025 and combined heat and power suppliers. The system requires the collection of 80% of excess revenue, calculated against a fixed reference price of 400 RON/MWh. Revenue from the balancing market remain excluded, while certain deductible costs are allowed, such as imbalance charges (up to 10% for wind) and financial hedges.
- **Romania: abolition of double taxation for storage systems**  
ANRE has approved new Methodological Rules abolishing the double taxation of electricity injected into the grid by storage systems, introducing significant exemptions to support the deployment of storage in Romania. The measure exempts electricity previously stored and subsequently re-injected into the grid from transmission, distribution and system service charges, and removes the obligation to purchase green certificates for such volumes. Network tariffs remain payable, however, for electricity self-consumed by the storage systems themselves, including technological losses. The regulation also introduces a unified procedure applicable to both concessionary and non-concessionary operators, and aligns with ACER recommendations on differentiated tariff treatment and incentives for flexibility.
- **Bulgaria: 2025 Finance Law**  
The extension of the revenue cap for electricity producers to 2025 in Bulgaria, included in the 2025 state budget, has been formally extended until December 2025. Plants with premium contracts starting from 8 October 2022 and zero-premium contracts are subject to an additional contribution equal to 90% of the difference between the market price and the former FIT. No changes apply to existing ERG plants.
- **Poland: Additional Capacity Market auctions**  
In February, a regulation was adopted allowing supplementary auctions (for delivery in 2029) if the TSO identifies generation adequacy concerns. These auctions were held in the second half of 2025. This is particularly important given that the support mechanism for coal-fired power plants expires in 2028, making it necessary to increase new contracted capacity in order to ensure the stability of the system. An amendment to the de-rating factors has been implemented to favour coal-fired plants over batteries, which had previously secured large shares of the available capacity.
- **Poland: reform of grid connections**  
The reform, in force since August, aims to make the connection process more efficient and transparent. An accelerated parallel procedure is envisaged for minor technical modifications. In the case of minor errors made during the application phase, corrections may be submitted within 14 days of notification, without affecting the timelines established for the original assessment. In addition, a new option has been introduced allowing applicants to request connection conditions for installations with a lower capacity than initially planned, depending on availability in the relevant area.



## UNITED STATES

### ▪ Approval of One Big Beautiful Bill Act

Congress has approved the new budget law proposed by the Trump administration, introducing significant changes to the renewable energy incentives provided under the Inflation Reduction Act (IRA) adopted during the Biden administration. The legislation establishes that, in order to qualify for IRA incentives, projects must enter into service by the end of 2027. At the same time, new taxes are introduced on photovoltaic and wind projects, while the previously available investment and production tax credits are abolished, with the exception of battery energy storage systems (BESS). The law also provides for an additional tax for wind and photovoltaic projects completed after 2027 if built using components manufactured in China.



## PERFORMANCE BY COUNTRY

(EUR million)	Year		Δ
	2025	2024	
<b>Adjusted revenue</b>			
<b>Italy</b>	<b>409</b>	<b>418</b>	<b>(9)</b>
<b>Abroad</b>	<b>343</b>	<b>319</b>	<b>24</b>
France	111	100	11
Germany	45	55	(10)
UK & Nordics	70	54	17
Spain	18	24	(6)
East Europe	67	68	(0)
United States	31	18	13
<b>Total adjusted revenue</b>	<b>752</b>	<b>737</b>	<b>16</b>
<b>Adjusted gross operating profit</b>			
<b>Italy</b>	<b>326</b>	<b>339</b>	<b>(13)</b>
<b>Abroad</b>	<b>231</b>	<b>216</b>	<b>14</b>
France	65	51	14
Germany	25	34	(9)
UK & Nordics	40	30	9
Spain	6	15	(9)
East Europe	50	54	(4)
United States	45	32	13
Corporate ERG Power Generation	(5)	(1)	(4)
<b>Adjusted gross operating profit</b>	<b>553</b>	<b>555</b>	<b>(2)</b>
<b>Adjusted amortisation, depreciation and impairment losses</b>			
<b>Italy</b>	<b>(127)</b>	<b>(124)</b>	<b>(3)</b>
<b>Abroad</b>	<b>(143)</b>	<b>(133)</b>	<b>(10)</b>
France	(47)	(46)	(2)
Germany	(21)	(21)	0
UK & Nordics	(21)	(17)	(4)
Spain	(12)	(12)	0
East Europe	(19)	(19)	(0)
United States	(24)	(18)	(5)
Corporate ERG Power Generation	(1)	(1)	(0)
<b>Adjusted amortisation, depreciation and impairment losses</b>	<b>(271)</b>	<b>(258)</b>	<b>(13)</b>
<b>Adjusted operating profit (loss)</b>			
<b>Italy</b>	<b>200</b>	<b>215</b>	<b>(16)</b>
<b>Abroad</b>	<b>87</b>	<b>83</b>	<b>4</b>
France	18	6	12
Germany	4	12	(9)
UK & Nordics	19	13	6
Spain	(6)	3	(8)
East Europe	31	35	(4)
United States	22	0	22
Corporate ERG Power Generation	(6)	(2)	(4)
<b>Adjusted operating profit</b>	<b>281</b>	<b>297</b>	<b>(16)</b>
<b>Capital expenditure<sup>(1)</sup></b>			
<b>Italy</b>	<b>71</b>	<b>135</b>	<b>(65)</b>
<b>Abroad</b>	<b>155</b>	<b>413</b>	<b>(258)</b>
France	19	142	(123)
Germany	29	9	20
UK & Nordics	106	26	81
Spain	0	0	0
East Europe	0	0	0
United States	1	236	(235)
Corporate ERG Power Generation	3	2	1
<b>Total capital expenditure</b>	<b>229</b>	<b>551</b>	<b>(321)</b>

(1) Includes capital expenditure on property, plant and equipment and intangible assets and M&A investments. 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 farm is influenced by the wind speed profile and the solar irradiance 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, as well as by PPA contracts agreed with prominent private counterparties.

During the financial year, the group commissioned its first BESS (Battery Energy Storage Systems) plant in Vicari (Palermo). The plant, which is located within ERG's electrical substation to which the nearby wind farms of Vicari (37.5 MW) and Roccapalumba (46.8 MW) are connected, has a capacity of 12.5 MW.

ERG operates in the electricity generation sector in Italy, with an installed capacity of 1,468 MW in wind power, 180 MW in solar power and 12.5 MW in Storage.

	Year		
	2025	2024	Δ
<b>Operating data</b>			
<b>Installed capacity (MW) <sup>(1)</sup></b>	<b>1,661</b>	<b>1,643</b>	<b>18</b>
Wind	1,468	1,468	0
Solar	180	175	5
Storage	13	0	13
<b>Output (GWh)</b>	<b>2,744</b>	<b>2,720</b>	<b>24</b>
Wind	2,462	2,479	(17)
Solar	282	241	41
<b>Load Factor % <sup>(2)</sup></b>			
Wind	19%	20%	-1%
Solar	18%	16%	2%
<b>Net unit revenue (EUR/MWh)</b>	<b>144</b>	<b>149</b>	<b>(5)</b>
Wind	118	125	(7)
Solar	371	399	(29)

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

(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 2025, electricity production in Italy amounted to 2,744 GWh, of which 2,462 GWh from wind power and 282 GWh from photovoltaic plants, a slight increase compared to 2024 (2,720 GWh, of which 2,479 from wind power and 241 GWh from solar power), due to the full contribution from repowered and greenfield plants that came into operation in 2024 and 2025 and solar revamping, substantially offset by lower wind speeds recorded during the year.

(EUR million)	Year		
	2025	2024	Δ
<b>Economic results</b>			
<b>Adjusted revenue</b>	<b>409</b>	<b>418</b>	<b>(9)</b>
Wind	303	320	(16)
Solar	106	98	8
<b>Adjusted gross operating profit</b>	<b>326</b>	<b>339</b>	<b>(13)</b>
Wind	231	250	(19)
Solar	96	90	6
<b>Amortisation, depreciation and impairment losses</b>	<b>(129)</b>	<b>(126)</b>	<b>(3)</b>
Wind	(84)	(81)	(3)
Solar	(45)	(45)	0
<b>Adjusted operating profit</b>	<b>197</b>	<b>213</b>	<b>(16)</b>
Wind	146	168	(22)
Solar	51	45	6
<b>Capital expenditure on property, plant and equipment and intangible assets</b>	<b>74</b>	<b>135</b>	<b>(61)</b>
Wind	61	116	(55)
Solar	5	11	(6)
Storage	8	8	0
<b>Ebitda Margin % <sup>(1)</sup></b>	<b>80%</b>	<b>81%</b>	<b>(1%)</b>
Wind	76%	78%	(2%)
Solar	91%	92%	(1%)

(1) ratio of adjusted gross operating profit (loss) to revenue from sales and services.

**Revenue** recorded in **2025**, amounting to EUR 409 million, was down compared with 2024 (EUR 418 million), as a result of persistently and significantly lower wind conditions during the year compared with historical averages and lower captured prices, only partially offset by the GRIN incentive (55 EUR/MWh in 2025; 42 EUR/MWh in 2024) and by the full contribution of repowering and greenfield plants that progressively entered into operation during the year. It should be noted that the overall gross operating profit (loss) was affected by electricity price hedging policies implemented in line with the Group's risk policies, carried out at prices lower than those that influenced 2024. In light of the above, ERG's net unit revenue from wind power in Italy, considering the value of energy sales, including the value of GRIN incentives and hedging, was 118 EUR/MWh, down compared to 2024 (125 EUR/MWh). Net unit revenue relating to photovoltaic plants amounted to 371 EUR/MWh (399 EUR/MWh in 2024), down due to the aforementioned hedges.

**Adjusted gross operating profit** in Italy in **2025** amounted to EUR 326 million, a decrease compared to 2024 (EUR 339 million), mainly due to the same reasons outlined above under revenue.

**Depreciation and amortisation** for the year (EUR 129 million) was up slightly compared to 2024 (EUR 126 million) due to the full contribution of the repowered and greenfield plants that came into operation.

### Capital expenditure

**Capital expenditure** in Italy in **2025 (EUR 74 million)** mainly relate to the start of repowering activities on two wind farms, the implementation of the Storage Project (12.5 MW), repowering and revamping activities on some solar plants, in addition to the usual maintenance aimed at further increasing the efficiency of the plants.

### Relevant legislative and regulatory updates during the year

See also the "Relevant legislative and institutional updates during the year" chapter.

- **MASE - guidelines for the development of the market for long-term power purchase agreements (MPPAs) for renewable energy sources.**  
The GME has been tasked with developing an organised market platform for the long-term trading of renewable energy and establishing the criteria and conditions under which the GSE can assume the role of guarantor of last resort. Operational procedures, access criteria, and rules for using the guarantee will be defined in the GSE's Operating Rules, in line with market principles and subject to a maximum expenditure cap of EUR 45 million per year for each of the years from 2025 to 2027. ARERA will define a charge for counterparties accessing the guarantee, and the GSE must submit a proposal for approval of the operating rules to the MASE, in agreement with the GME.
- **ARERA – Implementation of TIDE**  
The TIDE (Integrated Text for Electricity Dispatching), which entered into force on 1 January 2025, introduced a far-reaching reform of the Italian electricity system. The initial transitional phase provided for the simplification of certain rules to ensure a gradual transition. From 1 February 2026, the consolidation phase has commenced, during which the implementations envisaged under TIDE are being completed, including adjustments identified during the transitional period. This will be followed by a stabilisation phase, extending beyond 31 December 2026, aimed at the full implementation of the new regulatory framework, with the exception of the sections concerning macro imbalance zones. Among the most significant innovations is the separation of the roles of BRP and BSP, previously both assigned to the dispatching user, together with the introduction of a 15-minute MTU, a key element for alignment with European markets. Support mechanisms such as the Transitional RES-X scheme have also been adapted to ensure consistency with TIDE, and the procedure for participation in the European platforms MARI and PICASSO has been defined.
- **ARERA – Quantification of the value of incentives replacing green certificates**  
ARERA has officially determined – with Resolution 7/2026/R/efr of 27 January 2026 – the average annual electricity sale price for 2025, for the purpose of calculating the replacement incentives for green certificates in 2026. The established value is 115.32 EUR/MWh.
- **ARERA - resolution no. 166/2025 on the remuneration of the Frequency Containment Reserve**  
The reform defines the criteria and methodologies necessary to extend the optional mechanism for valuing energy provided for primary frequency regulation (FCR) to generation units based on inverters.
- **Obligations to upgrade RES plants – ARERA Resolution 385/2025**  
ARERA has introduced new compliance obligations for wind and photovoltaic plants connected at medium voltage, within the framework of the RIGEDI procedure. With Resolution 385/2025, the Authority approved the amendments proposed by Terna to Annex A.72 of the Grid Code, requiring the installation of a Central Plant Controller and the activation of advanced functionalities. The deadlines that required compliance by 28 February 2026 for plants  $\geq 1$  MW, without compensation, have been extended by ten months. The new requirements entail significant and unplanned costs. Discussions with Terna and ARERA remain ongoing with a view to a possible revision of the obligations and timelines, as operators have highlighted a number of critical issues.

- **ARERA – Resolution 566/2025: gradual launch of FCR procurement through market mechanisms from 2026**

ARERA has introduced the new Annex A.83 to the Grid Code, initiating the transition towards the procurement of Frequency Containment Reserve (FCR) through market-based procedures. The mechanism will enter into operation gradually. From 1 February 2026, Terna will launch a testing phase for additional capacity, while until 31 July 2026 units currently subject to mandatory provision will continue to supply the minimum FCR band free of charge. From 1 August 2026 to 31 July 2028, this mandatory band will be progressively reduced, alongside a parallel increase in the share procured through the market. From 1 August 2028, procurement will take place exclusively through auctions. A single daily procedure is envisaged after the first MI auction and before the MSD phase. The system provides for reserve prices defined on a monthly basis (EUR/MW per quarter hour) and remuneration of energy measured through UVRP devices.

- **MASE – Funds allocated for the development and strengthening of the grid in less developed regions**

The Ministry for the Environment and Energy Security (MASE) has allocated EUR 379 million to support the expansion and modernisation of the electricity grid in the country's less developed regions. The measure, addressed to Terna as the sole national transmission concessionaire, finances projects for the construction of new grid sections, the building of electrical substations and the repowering of existing infrastructure. The objective is to foster the development of a smart grid capable of increasing the share of demand met by distributed generation

from renewable sources, particularly in Southern Italy. Eligible regions include Campania, Calabria, Basilicata, Sardinia, Sicily, Molise and Puglia. Projects must be completed by 2029, with the application window open from 15 September 2025 to 15 January 2026. The expected investments will contribute to unlocking additional grid capacity for the integration of new renewable energy plants in Southern Italy.

- **PPA market with the GSE as last-resort guarantor**

The MPPA (Market for the negotiation of Power Purchase Agreements) is the new platform organised by GME for the trading of long-term renewable energy contracts (5–10 years). Its objective is to make PPAs more accessible, transparent and standardised, reducing risks and supporting the development of renewable energy sources. The MPPA was established by Decree no. 152 of 20 June 2025, which provides GME with the guidelines for designing the platform. Participation requirements are currently being defined.

- **Terna - Italy Adequacy Report (RAI)**

Terna published the Adequacy Report for Italy for the years 2028, 2030 and 2035. According to the Italian TSO, thermoelectric capacity may become economically unsustainable in the near future, increasing the risk of insufficient generation capacity. To address this threat, Terna calls for accelerated development of RES plants, strengthening of the grid, and promotion of storage systems. These measures will ensure that Italy maintains system adequacy within the required safety parameters.



## ABROAD

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

ERG is one of the top ten operators in the wind power sector in Europe, with a significant and growing presence (1,603 MW in operation), particularly in France (605 MW, increasing following the entry into operation of an 18 MW wind farm developed and built internally), Germany (330 MW), increased in 2025 with the completion of the repowering of a wind farm (+3 MW incremental), Poland (142 MW), the UK & Nordics (402 MW), increased in 2025 with the acquisition of a 43 MW wind farm in Scotland and the construction and commissioning of the Corlacky wind farm in Northern Ireland), Romania (70 MW) and Bulgaria (54 MW). Furthermore, 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. It should also be noted that 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 of which 224 MW wind and 92 MW solar).

As indicated in the introduction, in January 2026 the Group sold its Swedish plants as part of a geographical repositioning operation: in this Report, in order to facilitate understanding of the Group's operating performance, the adjusted results for UK & Nordics also include in ordinary activities the results of the Swedish asset that was in the process of being sold at the reporting date.

## FRANCE

	Year		
	2025	2024	Δ
<b>Operating data</b>			
<b>Installed capacity (MW)<sup>(1)</sup></b>	<b>733</b>	<b>715</b>	<b>18</b>
Wind	605	87	18
Solar	128	128	0
<b>Output (GWh)</b>	<b>1,242</b>	<b>1,210</b>	<b>32</b>
Wind	1,104	1,084	20
Solar	138	126	12
<b>Load Factor %<sup>(2)</sup></b>			
Wind	21%	21%	0%
Solar	12%	12%	1%
<b>Net unit revenue (EUR/MWh)</b>	<b>88</b>	<b>82</b>	<b>6</b>
Wind	88	82	6
Solar	85	81	5

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

(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 **2025, electricity output** in France will amount to 1,242 GWh, of which 1,104 GWh will come from wind power and 138 GWh from photovoltaic plants, an increase compared to 2024 (1,210 GWh, of which 1,084 GWh from wind power and 126 GWh from photovoltaic plants) due to the wind farms that will gradually come into operation during 2024 and 2025, partly offset by wind speeds below historical averages.

(EUR million)	Year		
	2025	2024	Δ
<b>Economic results</b>			
<b>Adjusted revenue</b>	<b>111</b>	<b>100</b>	<b>11</b>
Wind	99	90	9
Solar	12	10	2
<b>Adjusted gross operating profit</b>	<b>65</b>	<b>51</b>	<b>14</b>
Wind	59	47	12
Solar	6	4	2
<b>Amortisation, depreciation and impairment losses</b>	<b>(47)</b>	<b>(46)</b>	<b>(2)</b>
Wind	(42)	(40)	(2)
Solar	(5)	(6)	1
<b>Adjusted operating profit</b>	<b>18</b>	<b>6</b>	<b>12</b>
Wind	17	7	10
Solar	1	(2)	2
<b>Capital expenditure on property, plant and equipment and intangible assets</b>	<b>19</b>	<b>142</b>	<b>(123)</b>
Wind	19	113	(94)
Solar	0	29	(29)
<b>Ebitda Margin %<sup>(1)</sup></b>	<b>58%</b>	<b>51%</b>	<b>7%</b>
Wind	59%	52%	7%
Solar	51%	42%	9%

(1) ratio of adjusted gross operating profit (loss) to revenue from sales and services.

**Revenue** recorded in **2025** amounted to EUR 111 million, up from EUR 100 million in 2024, due to the scope effect resulting from the wind farms that came into operation in 2024 and 2025 and the increase in energy sales prices, only partly offset by lower wind speeds.

Net unit revenue from wind power in France, equal to 88 EUR/MWh, up compared with 2024 (82 EUR/MWh) due to better market prices and hedging in line with the group's risk policy.

Net unit revenue for photovoltaic systems totalled 85 EUR/MWh, up from 81 EUR/MWh in 2024.

**Adjusted gross operating profit** in France in **2025** amounted to EUR 65 million, up compared to 2024 (EUR 51 million), mainly due to the scope effect and the better prices captured.

**Depreciation and amortisation** for the year (EUR 47 million) was slightly up compared to 2024 (EUR 46 million) due to the contribution of the wind farms and photovoltaic systems developed internally.

### Capital expenditure

**Capital expenditure** in France in **2025 (EUR 19 million)** mainly refers to the completion of a greenfield wind farm (18 MW) which became operational in the second quarter of 2025 and the start of construction activities of the first repowering project at a French wind farm (23 MW). The figure for 2024 included the effect of the acquisition of a wind and photovoltaic portfolio (EUR 84 million) in the first quarter of 2024.

### Relevant legislative and regulatory updates during the year

See also the "Relevant legislative and institutional updates during the year" chapter.

#### ■ CRE - Alignment of CfDs with the 15-minute market granularity

The CRE has published a resolution recommending the alignment of Contracts for Difference (CfDs) with the future 15-minute market granularity. Specifically, it proposes switching from hourly calculation to a 15-minute basis for determining the reference price in CfDs, in line with the SDAC market transition scheduled for 1 October 2025. Following a public consultation, the CRE suggests adopting the new calculation method from 1 April 2026, with a transitional period starting on 1 October 2025 to allow operators time to adapt.

#### ■ CRE – Universal Nuclear Payment

From 1 January 2026, the new *Versement Nucléaire Universel (VNU)* will enter into force in France, replacing the ARENH mechanism and marking a profound structural change in the electricity market. France will move from a model based on regulated access to nuclear volumes to a system based on a revenue cap. The VNU does not set a price; rather, it determines when EDF's average nuclear revenue exceed a level deemed "reasonable", applying a levy on the surplus to finance credits for consumers. The mechanism changes how nuclear value is captured and redistributed, while granting EDF the freedom to sell electricity across all markets (spot, long-term contracts and nuclear PPAs). This increases competition among suppliers and heightens the need for fixed-price contracts, potentially benefiting renewables in scenarios of rising prices. The price assessment is based on the CRE report entitled "Évaluation des coûts complets de production de l'électricité au moyen des centrales électronucléaires historiques pour la période 2026-2028", which aims to estimate the full production costs of EDF's historical nuclear fleet. The CRE has set the full cost of historical nuclear generation at 60.3 EUR/MWh (2026 amount), and the fiscal trigger prices at 78 EUR/MWh (50% taxation on additional revenue) and 110 EUR/MWh (90% taxation on additional revenue). These thresholds are intended

to allow EDF to finance the refurbishment and expansion of the nuclear fleet and other infrastructure investments, while avoiding additional pressure on public debt.

#### ■ CRE - changes to the regulation of Frequency Ancillary Services

From 1 February 2025, the principle of elastic demand will be introduced for part of the secondary reserve requirement, which will be sent by RTE to the European PICASSO platform (participation in the PICASSO platform is a necessary prerequisite). From 1 January 2026, only asymmetric bids may be submitted for the secondary reserve.

#### ■ RTE – Outlook to 2035

RTE has published the update of its outlook to 2035, a preliminary document intended to guide the government in defining the PPE and the national electrification roadmap. The system operator emphasises that rapid electrification makes it possible to align demand and generation more effectively, thereby reducing overall system costs. Approximately 30 GW of industrial, digital and hydrogen projects already hold grid access rights: even a 60% realisation rate would enable a significant acceleration of decarbonisation. RTE announces reforms to grid access, greater selectivity in capacity reservations and the extension of "fast track" mechanisms, overbooking and priority zones. The analysis shows that rapid decarbonisation reduces costs by around 7 EUR/MWh. Although a surplus currently exists, RTE warns that the risks associated with under-capacity remain more costly than those linked to over-capacity. Network investments of EUR 100 billion by 2040 are also confirmed, deemed necessary even under slower electrification scenarios.

**GERMANY - WIND**

	Year		Δ
	2025	2024	
<b>Operating data</b>			
Installed capacity (MW) <sup>(1)</sup>	330	327	3
Output (GWh)	472	568	(96)
Load Factor % <sup>(2)</sup>	16%	20%	(4%)
Net unit revenue (EUR/MWh)	94	92	2

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

(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 **2025, electricity production** in Germany amounted to 472 GWh, down from 568 GWh in 2024 due to the persistently lower wind speeds recorded during the year.

(EUR million)	Year		Δ
	2025	2024	
<b>Economic results</b>			
Adjusted revenue	45	55	(10)
Adjusted gross operating profit	25	34	(9)
Amortisation, depreciation and impairment losses	(21)	(21)	0
Adjusted operating profit	4	12	(9)
Capital expenditure on property, plant and equipment and intangible assets	29	9	20
Ebitda Margin % (1)	55%	61%	(6%)

(1) ratio of adjusted gross operating profit (loss) to revenue from sales and services.

**Revenue** recorded in **2025** amounted to EUR 45 million, down compared to 2024 (EUR 55 million), mainly due to lower wind levels recorded during the year, partially offset by better prices achieved thanks to the one-way incentive mechanism and the contribution of the repowered farm that became operational in 2025.

Net unit revenue from wind power in Germany, equal to 94 EUR/MWh, was therefore up slightly compared to 2024 (92 EUR/MWh).

**Adjusted gross operating profit** in Germany in **2025** amounted to EUR 25 million, down compared to 2024 (EUR 34 million).

**Capital expenditure**

**Capital expenditure** in Germany in **2025 (EUR 29 million)** mainly relates to the completion of the repowering activities of a wind farm with 6 MW of new wind capacity (+3 MW incremental), which entered into operation in the second quarter of 2025, the construction of wind farms totalling 28 MW, and the launch of repowering activities on two wind farms (34 MW).

**Relevant legislative and regulatory updates during the year**

See also the "Relevant legislative and institutional updates during the year" chapter.

▪ **ENTSO-E - Publication of report on the assessment of Bidding Zones**

ENTSO-E has published its new report on the assessment of bidding zones for Central Europe and the Nordic countries. While for the latter the introduction of bidding zones is deemed economically unsustainable, in Germany, the proposal to divide the country into five zones could bring significant economic advantages at the system level. Many trade associations have opposed ENTSO-E's assessment, criticising both the methodology and the reliability of the data used for the simulations (dating back to 2019). ENTSO-E itself considers a new analysis necessary. If implemented, such a reform would result in higher prices in most Central and Eastern European countries, while leading to a reduction in prices in northern Germany. Finally, this reform would require an implementation period of between 3 and 5 years, as well as strong political will, which is currently lacking. The German Government rejected ENTSO-E's proposal, justifying its decision on the grounds of preserving market liquidity and avoiding any undermining of investor confidence.

**UK & NORDICS - WIND**

	Year		Δ
	2025	2024	
<b>Operating data</b>			
Installed capacity (MW) <sup>(1)</sup>	402	311	91
Output (GWh)	711	588	123
Load Factor % <sup>(2)</sup>	20%	22%	(2%)
Net unit revenue (EUR/MWh)	65	60	5

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

(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 **2025, electricity production** in the UK and Sweden amounted to 711 GWh, up compared to 2024 (588 GWh), mainly due to the scope effect (130 GWh) thanks to the contribution of the wind farm acquired in the UK at the beginning of 2025 and the greenfield wind farm built internally in Northern Ireland and entered into operation in the third quarter of 2025.

(EUR million)	Year		
	2025	2024	Δ
<b>Economic results</b>			
Adjusted revenue	70	54	17
Adjusted gross operating profit	40	30	9
Amortisation, depreciation and impairment losses	(21)	(17)	(4)
Adjusted operating profit	19	13	6
Capital expenditure on property, plant and equipment and intangible assets	106	26	81
Ebitda Margin % <sup>(1)</sup>	57%	56%	0%

(1) ratio of adjusted gross operating profit (loss) to revenue from sales and services.

**Revenue** recorded in **2025** amounted to EUR 70 million, up compared to 2024 (EUR 54 million), mainly due to the effects of the new capacity in operation during 2025 and greater participation in the balancing market in Scotland.

Net unit revenue amounted to 65 EUR/MWh, up compared to 2024 (60 EUR/MWh).

**Adjusted gross operating profit** in the UK & Nordics region in 2025 was EUR 40 million, up compared to 2024 (EUR 30 million), mainly due to the same revenue-related reasons.

**Amortisation and depreciation** for the year (EUR 21 million) increased compared to 2024 (EUR 17 million) due to the consolidation scope resulting from the acquisition of the wind farm in Scotland in January 2025 (43 MW) and the commissioning of the wind farm built internally in Northern Ireland (47 MW), which became operational during the third quarter of 2025.

#### Capital expenditure

**Capital expenditure** in the UK & Nordics region in **2025 (EUR 106 million)** mainly relates to the acquisition of a wind farm in Scotland (43 MW) and the construction of a new wind farm in Northern Ireland, which became operational in the third quarter of 2025 (47 MW).

#### Relevant legislative and regulatory updates during the year

See also the "Relevant legislative and institutional updates during the year" chapter.

- **Reform of the connection queue management process (TMO4+)**

The introduction of the newly reformed process for managing connection requests to the grid, known as Target Model Option 4+ (TMO4+), has been approved. The aim is to reorganise the connection queue to prioritise projects that are both "ready" and "necessary", in line with the Clean Power 2030 (CP2030) action plan. The reform provides for the creation of a streamlined queue consistent with the objectives of CP2030 and entails amendments to NESO licences, the Transmission Standard Licence and the Distribution Standard Licence. Projects must demonstrate both adequate "readiness" and alignment with the CP2030 objectives in order to access Gate 2 and thus receive priority.

- **NESO forecasts for TNUoS charges 2026/27**

The UK system operator NESO has published the Draft Forecast of TNUoS charges for the 2026/27 charging year, covering the period from 1 April 2026 to 31 March 2027. Total revenue to be recovered from generators is estimated at GBP 1.23 billion, a decrease of approximately GBP 40 million compared with the previous Five-Year View. The reduction is mainly attributed to lower expected revenue from local offshore tariffs. NESO has also updated the generation base, now standing at 102.88 GW, reflecting improved forecasts of incoming projects. As a result, the average forecast generation tariff falls to 11.95 GBP/kWh, driven by lower revenue requirements and a broader charging base. At the same time, the Draft Annual Load Factors for 2026/27 have been published, enabling generators to update their bespoke forecasts of TNUoS charges.

- **DESNZ and Ofgem - electricity storage**

DESNZ and Ofgem have published a joint Technical Decision Document confirming the cap and floor scheme for the long-duration electricity storage programme. This scheme will be funded through network charges, if activated, to incentivise energy storage projects. The mechanism applies exclusively to facilities capable of delivering power at full capacity continuously for at least 8 hours

and includes two access channels: the first dedicated to mature technologies, with a minimum threshold of 100 MW; the second aimed at pre-commercial technologies, with a minimum threshold of 50 MW. The mechanism will run for 25 years and, for the first selection window, open until 2035, the indicative total capacity is between 2.7 and 7.7 GW.

- **Department for the Economy – Connection reform: socialisation of grid reinforcement costs**

The reform approved by the Department for the Economy introduces a structural change to the model for allocating electricity connection costs in Northern Ireland, aiming to socialise the costs of reinforcing the distribution network. In practice, connecting parties (households, businesses or generators) will be responsible only for the works directly required for their specific connection point, while wider network reinforcement costs will be spread across the entire user base. The measure seeks to remove one of the main barriers to new connections, ensuring greater fairness and predictability for investors and promoting more uniform access to the grid. The Department has also requested that the Utility Regulator, together with NIE Networks, swiftly implement this new approach, marking a shift towards a more collective and less burdensome system for individual applicants.

- **EirGrid/SONI – New guidance on the implementation of rebalancing for renewables**

EirGrid and SONI have published the Market Participants Guide – A Guide to Rebalancing, aimed at improving the dispatch of renewable generation. The initiative seeks to strengthen the ability of the Control Centres to manage wind and solar generation by introducing a fairer approach to the allocation of constraints and curtailment. The key element is the rebalancing mechanism, which allows curtailment to be reallocated in real time among renewable units based on changes in weather conditions and plant availability. The process will be implemented through an update of the Wind Dispatch Tool, introducing new dispatch functionalities and

decision-support tools. The guidance outlines the issues addressed by the Scheduling and Dispatch initiative and the operational principles underpinning rebalancing. The document is independent

of the SDP\_01 initiative, which will remove priority dispatch for renewables, although the timing of that reform remains uncertain.

## SPAIN - SOLAR

	Year		Δ
	2025	2024	
<b>Operating data</b>			
Installed capacity (MW) <sup>(1)</sup>	266	266	0
Output (GWh)	449	479	(30)
Load Factor % <sup>(2)</sup>	19%	21%	(2%)
Net unit revenue (EUR/MWh)	33	47	(14)

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

(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 **2025**, **electricity production** in Spain amounted to 449 GWh, down compared to 2024 (479 GWh) mainly due to lower irradiation, plant shutdowns during hours when prices were negative and the participation of plants in ancillary services markets.

(EUR million)	Year		Δ
	2025	2024	
<b>Economic results</b>			
Adjusted revenue	18	24	(6)
Adjusted gross operating profit	6	15	(9)
Amortisation, depreciation and impairment losses	(12)	(12)	0
Adjusted operating profit (loss)	(6)	3	(8)
Capital expenditure on property, plant and equipment and intangible assets	0	0	0
Ebitda Margin % <sup>(1)</sup>	33%	60%	(27%)

(1) ratio of adjusted gross operating profit (loss) to revenue from sales and services.

**Revenue** recorded in **2025** amounted to EUR 18 million, down compared to 2024 (EUR 24 million) mainly due to lower market prices, which were particularly penalised during the day compared to 2024, which had benefited from higher hedging prices in addition to the aforementioned lower production. Net unit revenue amounted to 33 EUR/MWh, down compared to 2024 (47 EUR/MWh).

**Adjusted gross operating profit** in Spain in **2025** amounted to EUR 6 million, down compared to 2024 (EUR 15 million) as a result of lower revenue.

## EAST EUROPE (POLAND, ROMANIA AND BULGARIA) – WIND

	Year		Δ
	2025	2024	
<b>Operating data</b>			
Installed capacity (MW) <sup>(1)</sup>	266	266	-
Output (GWh)	657	710	(54)
Load Factor % <sup>(2)</sup>	28%	30%	-2%
Net unit revenue (EUR/MWh)	95	87	8

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

(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 **2025**, **electricity production** in East Europe amounted to 657 GWh, down from 710 GWh in 2024 due to lower wind conditions recorded.



(EUR million)	Year		Δ
	2025	2024	
<b>Economic results</b>			
Adjusted revenue	67	68	(0)
Adjusted gross operating profit	50	54	(4)
Amortisation, depreciation and impairment losses	(19)	(19)	(0)
Adjusted operating profit	31	35	(4)
Capital expenditure on property, plant and equipment and intangible assets	0	0	0
Ebitda Margin % <sup>(1)</sup>	74%	80%	-6%

(1) ratio of adjusted gross operating profit (loss) to revenue from sales and services.

**Revenue** recorded in **2025**, equal to EUR 67 million, was substantially in line with 2024 (EUR 68 million), mainly due to the aforementioned lower wind conditions, partly offset by the increase in prices captured in Poland and Bulgaria.

Average net unit revenue in East Europe amounted to 95 EUR/MWh, up compared to 2024 (87 EUR/MWh) due to aforementioned higher energy sales prices.

It should be noted that the measures (windfall tax) introduced by the Romanian government in 2024 and then renewed in 2025 to combat high energy prices require the Group's plants to sell through PPAs at 400 lei/MWh, which is approximately 80 EUR/MWh (450 lei/MWh until 31 March 2024, equivalent to approximately 90 EUR/MWh); these amounts do not include the green certificate revenue of 29 EUR/MWh.

**Adjusted gross operating profit** in East Europe in **2025** amounted to EUR 50 million, down compared to 2024 (EUR 54 million).

It should be noted that the results for the year reflect the release of provisions for risks and charges<sup>9</sup> following the cessation of the risks that had originally led to their recognition.

#### Relevant legislative and regulatory updates during the year

See also the "Relevant legislative and institutional updates during the year" chapter.

#### Poland

##### ▪ Introduction of products with 15-minute intervals

In March, a significant change came into effect concerning the operation of the European electricity market: the introduction of 15-minute interval products in place of hourly ones within the framework of the Single Intraday Coupling (SIDC). This transition represents an important development towards greater trading granularity, in line with the objective of improving the integration of renewable energy sources and the accuracy of the demand-supply balance.

#### Romania

##### ▪ OPCOM – Updated prices and mandatory Green Certificate quota for 2026

OPCOM has published the trading session calendar and the updated values of Green Certificates (GCs) for 2026. As usual, the annual adjustment concerns only the price in lei, revised in line with the leu/euro exchange rate, while the amounts in euro remain unchanged. The minimum trading price is set at 148.2201 lei/GC (29.4 EUR/GC), while the maximum is 176.4525 lei/GC (35 EUR/GC). At the same time, ANRE has updated the mandatory GC quota for suppliers in 2026 to 0.499387 GC/MWh, slightly higher than the 0.496 GC/MWh set for 2025. The forecast of final electricity consumption has also increased, now standing at 48.7 TWh. In the absence of regulatory changes to the pricing mechanisms, eligible plants will continue to be remunerated at the minimum value in 2026.

<sup>9</sup> The 2025 figure reflects the release of provisions for risks amounting to EUR 4 million (of which approximately EUR 3 million in Romania and EUR 1.5 million in Poland), whereas the comparative figure reflected the partial release of provisions for risks of approximately EUR 9 million, of which EUR 6 million in Romania in relation to Green Certificates and EUR 3 million in Poland in relation to clawback measures.



## UNITED STATES – WIND AND SOLAR

It should be noted that the 2024 figures reflect the impact of the line-by-line consolidation of the wind and solar portfolio acquired in the United States as of 1 April 2024.

	Year		
	2025	2024	Δ
<b>Operating data</b>			
<b>Installed capacity (MW) <sup>(1)</sup></b>	<b>317</b>	<b>317</b>	<b>0</b>
<i>Wind</i>	224	224	0
<i>Solar</i>	92	92	0
<b>Output (GWh)</b>	<b>966</b>	<b>684</b>	<b>282</b>
<i>Wind</i>	809	563	247
<i>Solar</i>	156	121	36
<b>Load Factor % <sup>(2)</sup></b>			
<i>Wind</i>	41%	29%	13%
<i>Solar</i>	19%	15%	4%
<b>Net unit revenue (EUR/MWh)</b>	<b>26</b>	<b>26</b>	<b>(0)</b>
<i>Wind</i>	22	22	1
<i>Solar</i>	46	47	(1)
<b>Net unit revenue including PTC (EUR/MWh)</b>	<b>51</b>	<b>51</b>	<b>(0)</b>
<i>Wind</i>	51	52	(0)
<i>Solar</i>	46	47	(1)

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

(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 **2025, electricity output** in the United States amounted to 966 GWh (of which 809 GWh from wind sources and 156 GWh from solar sources), up compared to 2024 (684 GWh, of which 563 from wind sources and 121 from photovoltaic systems), in which US assets had contributed since 1 April 2024.

**Net unit revenue** from wind power amounted to 22 EUR/MWh (51 EUR/MWh including PTCs), in line with 2024, while those from solar sources amounted to 46 EUR/MWh, up slightly compared to 2024 (47 EUR/MWh), reflecting the prices of PPAs contracted with leading corporate counterparties.

(EUR million)	Year		
	2025	2024	Δ
<b>Economic results</b>			
<b>Adjusted revenue</b>	<b>31</b>	<b>18</b>	<b>13</b>
<i>Wind</i>	22	12	10
<i>Solar</i>	9	6	3
<b>Adjusted gross operating profit</b>	<b>45</b>	<b>32</b>	<b>13</b>
<i>Wind</i>	39	27	12
<i>Solar</i>	6	5	1
<b>Amortisation, depreciation and impairment losses</b>	<b>(24)</b>	<b>(18)</b>	<b>(5)</b>
<i>Wind</i>	(20)	(16)	(4)
<i>Solar</i>	(4)	(3)	(1)
<b>Adjusted operating profit</b>	<b>22</b>	<b>14</b>	<b>8</b>
<i>Wind</i>	19	12	7
<i>Solar</i>	3	2	0
<b>Capital expenditure in property, plant and equipment and intangible assets</b>	<b>1</b>	<b>236</b>	<b>(235)</b>
<i>Wind</i>	0	182	(182)
<i>Solar</i>	0	54	(53)
<b>Adjusted revenue and Other income (PTCs)</b>	<b>56</b>	<b>36</b>	<b>27</b>
<i>Wind</i>	47	31	23
<i>Solar</i>	9	6	3



**Revenue** recorded in **2025** amounted to EUR 31 million, up compared to 2024 (EUR 18 million) mainly due to the full contribution of the assets in the year compared to the comparative year, which reflected the consolidation from 1 April 2024. The item also includes the positive release of the fair value of PPAs for the portion pertaining to the year.

**Revenue and other income (PTCs)** totalled EUR 56 million and includes, in addition to the aforementioned revenue, approximately EUR 25 million relating to the non-monetary income of the Production Tax Credit recognised under "Other income" and calculated on the basis of energy production recorded in the year from the wind farm.

**Adjusted gross operating profit** in the United States in **2025** amounted to EUR 45 million, up compared to 2024 (EUR 32 million), mainly due to the scope effect. Please note that this figure is influenced by the price of PPAs and the aforementioned income.

#### Relevant legislative and regulatory updates during the year

See also the "Relevant legislative and institutional updates during the year" chapter.

##### ▪ **Order ER25-579-000 relating to the revision of tariffs**

The FERC has approved the amendments proposed by MISO to its Open Access Transmission, Energy and Operating Reserve Markets Tariff, concerning the revision of the Value of Lost Load (VOLL), which represents the maximum price that customers would be willing to pay to avoid a power outage. This value is calculated based on the willingness to pay of the customers most sensitive to such interruptions. MISO will therefore be able to raise the VOLL to 10,000 USD/MWh—almost three times the current value of 3,500 USD/MWh—from 30 September. The VOLL will be used as a price cap for locational marginal prices and market prices during load-shedding events.

##### ▪ **Notice 2025-42: clarification of start-of-construction requirements for wind and solar tax credits**

Notice 2025-42 provides updated guidance on the criteria for determining when construction of wind and solar projects is deemed to have commenced for the purposes of qualifying for US tax credits. Projects that begin construction by 2 September 2025 may qualify either by starting significant physical work or by incurring at least 5% of the costs. After that date and until 4 July 2026, projects above 1.5 MW must demonstrate the start of construction through physical work, whereas solar PV installations up to 1.5 MW may continue to qualify with

the 5% project cost rule. All projects that have not commenced construction by 4 July 2026 must enter into service by 31 December 2027. The guidance, which is less restrictive than anticipated, provides greater certainty for developers and does not affect the rules applicable to technologies other than wind and solar.

##### ▪ **FERC – New reliability standards for inverter-based renewable plants**

The Federal Energy Regulatory Commission (FERC) has approved new reliability standards for inverter-based resources (IBRs), primarily wind and solar plants, in light of their increasing penetration in the US electricity system. These rules represent a further step in the process initiated with Order no. 901 of 2023, through which FERC directed NERC to develop a structured set of requirements specifically tailored to these technologies. The new standards require IBR facilities to remain connected to the grid during voltage and frequency disturbances, ensuring ride-through capabilities comparable to those of synchronous generators. The objective is to address existing regulatory gaps and ensure that renewables meet reliability expectations comparable to those applicable to conventional generation sources.

# RISKS AND UNCERTAINTIES

The main Risk Assessment and Management activities carried out as part of Enterprise Risk Management include: (i) the identification and assessment of the main risks associated with the Business Plan, as well as the definition of the respective Risk Policies; (ii) continuous verification of the functioning and effectiveness of the risk management process; (iii) sharing of the results of the half-yearly Risk Assessments with all of Group management. The ERM model is subject to periodic updates in line with the evolution of the Group and the context in which it operates and applies to all ERG Group companies.

Enterprise Risk Management is aimed at contributing in a proactive and integrated manner to safeguarding the share capital of the ERG Group and to managing the business efficiently and effectively in line with the strategies defined by the Board of Directors, giving adequate consideration to current and prospective risks, including medium and long term risks, with an organic and comprehensive vision.

It should be pointed out that, at the date of preparation of this Report, no particular risks and uncertainties are envisioned, in addition to those mentioned in the document, which may determine significant consequences on the operating results, financial position and cash flows of the ERG Group.

In view of the war that broke in Ukraine at the end of February 2022, management continues to monitor any critical issues and impacts that the conflict could have on the ERG Group, in particular with reference to credit risk and plant security.

As regards **credit risk**, there are no positions opened directly with Russian and Ukrainian counterparties.

In relation to **plant safety**, note the position of some of the Group's wind farms in Eastern Europe (Poland and Romania) close to the Ukrainian border: since these are countries that are part of NATO,

there are currently no risks directly linked to the conflict.

Throughout 2025, the global macroeconomic scenario continued to be characterised by moderate growth. The environment remains heavily influenced by ongoing international trade tensions, high geopolitical uncertainty and structural vulnerabilities that limit the growth potential of major advanced and emerging economies.

This scenario mainly reflects:

- the restrictive impact of US tariff policies, which have increased the costs of international trade;
- a contraction in private investments in response to a more uncertain regulatory and political context;
- persistent geopolitical fragility, including recent developments in the Middle East, Venezuela and tensions between European countries and the United States over Greenland, which could represent an additional risk factor.

During 2025, energy prices showed a general upward trend, albeit characterised by high volatility. The outlook remains strongly influenced by factors such as:

- changing international energy policies;
- the dynamics of supply and demand in global markets;
- geopolitical tensions in strategic areas for the supply of oil and gas.

These factors pose a significant risk of increased energy costs, with potential repercussions on inflation, the profitability of energy-intensive businesses and the purchasing power of households. In June 2025, the European Central Bank announced a further cut in reference rates of 25 basis points, continuing the cycle of monetary easing that began in mid-2024 in response to a series of exceptional shocks (pandemic, conflict in Ukraine, energy crisis).

In view of its operations, ERG classifies the risks to which it is exposed into four categories: Strategic, Financial, Operational and Compliance.

	<b>Strategic</b>	<ul style="list-style-type: none"> <li>▪ Availability of renewable resources</li> <li>▪ Evolution of the regulatory framework</li> <li>▪ Climate Change</li> <li>▪ New capital expenditure</li> <li>▪ Risks related to Parent company Rating and Reputation</li> </ul>
	<b>Financial</b>	<ul style="list-style-type: none"> <li>▪ (Commodity) price risk</li> <li>▪ Liquidity</li> <li>▪ Credit and Counterparties</li> <li>▪ Exchange Rate and Interest Rates</li> <li>▪ Disputes</li> </ul>
	<b>Operational</b>	<ul style="list-style-type: none"> <li>▪ Health, Safety and Environment</li> <li>▪ ICT and Cyber Security</li> <li>▪ Continuity of service</li> <li>▪ Human Capital</li> <li>▪ Procurement and Supply Chain</li> </ul>
	<b>Compliance</b>	<ul style="list-style-type: none"> <li>▪ Anti-corruption legislation</li> <li>▪ Country</li> </ul>

## STRATEGIC RISKS

### Availability of renewable resources

This risk refers to the possibility that the Group may incur economic damages deriving from the volatility of electricity generation volumes, with particular reference to renewable production and to the availability of natural resources (such as Wind and Sun).

The risk is mitigated through:

- Technological diversification of renewable energy plants (e.g. Wind and Solar) and the geographic diversification of the generating farms, which reduce both the impact and likelihood of occurrence of the risk;
- Scheduling the outages of renewable facilities in relation to the periods of low contribution of renewable sources, thereby reducing their impact;
- The use of more accurate meteorological forecasting tools to define generation plans that allow for improvement in Volume Risk management strategies over the short term.

The use of statistical risk analysis models is also envisaged, as they enable quantification of the economic impacts over the term of the plan.

### Evolution of the regulatory framework

This refers to the risk associated with the evolution of the national, international and EU regulatory and legislative environment, which, given the high degree of regulation in the business sector in which the Group operates, may lead to negative economic impacts on the current or potential business.

This category includes, for example, the possibility that measures (market change and/or windfall taxes) may be adopted in the countries where ERG operates in order to reduce the perceived price renewable energy sources and consequently lower of the supply costs for the system (interventions involving refunds of the perceived price of certain categories of renewable plants and taxation of the so-called surplus profits of energy operators). The Group continuously monitors the development of the regulatory framework in the countries where it is present, in order to prevent and/or mitigate the effects on the different business areas, through safeguards spanning multiple levels, which entail, at the local, national, and European level, collaborative dialogue with institutions and with the bodies governing and regulating the sector through active participation in business associations and in working groups established in the same agencies, as well as the examination of the regulatory developments and of the instructions of the sector Authority and the preparation of specific position papers to communicate its position in this regard.

To this end, the ERG Group has established specific Organisational Units dedicated to continuous monitoring of developments in key national and international regulations, that monitor the evolution of the regulatory framework in the countries in which the Group operates. Among the main matters subject to regulatory developments, the following are highlighted in particular:

- the reform of the Electricity Market both at European level and in the various countries in which the Group operates;
- the adoption of measures aimed at reducing the cost of electricity through specific interventions (e.g. Bills Decree Law in Italy) with a potential negative impact on the sales prices received by renewable plants
- the reform of the incentive systems for Renewable Energy Sources in the countries in which the Group operates (e.g. transition from FIT to FIP; changes in the auction systems; European Directives; Guidelines on State aid for the environment and energy);
- energy savings certification within the White Certificates mechanism by Gestore dei Servizi Energetici (GSE);
- the implementation of the European Green Deal and the other packages adopted at EU level for the decarbonisation and security of energy supply, as well as the related national implementation plans;

- the rules for obtaining and maintaining the authorisations and permits for the construction and operation of Renewable energy plants, as well as the incentives associated with them.

### Climate Change

Climate change risk is the possibility that climate changes in the short, medium and long term may have impacts on ERG's business with economic/financial consequences in terms of (some examples): decreased availability of renewable resources (wind and sun); limitations or impediments to operations; increased O&M costs; increased insurance costs; higher compliance expenses; etc. To combat the climate change already underway, the Intergovernmental Panel on Climate Change (IPCC) has highlighted in its publications the effects that global warming may have and in part is already having on the planet (among others – intensification of heat waves and of extreme weather events, rising sea levels, thinning Arctic sea ice and continental glaciers) and the importance of keeping the rise of average temperatures under 2°C. The path to reach this goal requires timely interventions in all sectors of the economy and industry on a global scale and the Energy sector is one of the key factors to assure the planet's sustainability.

In June 2017, the Task Force on Climate-related Financial Disclosures (TCFD) published a series of recommendations on the reporting on risks and the related opportunities, also issued by the European Commission in the publication of June 2019. The TCFD guidelines require providing disclosure with respect to four broad topic areas: Governance; Strategy; Risk Management; Metrics & Targets.

In consideration of the above, the Group expressed observations regarding the main risks associated with climate change as well as the related possible impacts on the various corporate business areas. In the two-year period 2023/2024, the Group also conducted an internal study to quantitatively assess how climate change could impact the annual production of wind and solar assets. In particular, for wind assets, the analysis indicates that, in general, the risks of a decrease in average wind speed, particularly in the medium-term horizon (10-15 years), are relatively limited. Based on historical/statistical analyses of the percentage change in wind speed, low fluctuations in energy production can be expected, which can have both a positive (increasing output) and negative (reducing output) impact. However, fluctuations of this magnitude in the wind resource are already factored into the time series underlying the output estimates reflected in the Business Plan. With regard to solar assets, the analysis indicates that anthropogenic global warming is altering atmospheric circulation on a regional scale, impacting solar resources in various countries.

The uncertainties stem from both the models and future policies and their implementation. In general, in the short term, the average increase in solar radiation could be significant, and therefore, a very noticeable impact on solar energy production could be expected. According to the Group's approach, the risks generated by Climate Change can mainly be attributed to the following:

- Change in the contributions from renewable sources (wind and sun) which may have impacts on ERG's business with consequences from an economic-financial point of view in the medium/long-term deriving from possible lower output. In light of the uncertainties regarding the potential effects of a worsening of weather conditions in the areas in which ERG is present and the potential compensatory effects deriving from the Group's increasing geographical complementarity, it was not considered appropriate to reflect any negative effects in the medium-term (Market Plan) and long-term (impairment test) Business Plans.
- Catastrophic events referring in particular to "acute" and "chronic" physical phenomena linked to extreme natural events that could cause damage to generation plants, impacting Business Continuity. The "acute" phenomena category includes risks characterised by a remote probability of occurrence but a potentially catastrophic impact, including: fires; earthquakes, volcanic phenomena,

hurricanes, tsunamis/floods; while the increase in average temperature, rise in sea level, reduction in rainfall fall into the category of "chronic" events.

- Regulatory and market changes referring in particular to any changes in subsidies and incentives, change in the regulatory framework, uncertainty in the demand for electricity, increased competitive pressure.

The management strategy for these risks adopted by the Group provides for:

- the reduction of the impacts related to catastrophic events through Business Continuity Management processes (for the physical protection of assets) and Disaster Recovery Plans, in particular in the ICT field;
- technological diversification of renewable energy plants (e.g. Wind and Solar) and the geographical diversification of generation facilities, which reduce both the impact and the probability of the risk occurring;
- the planning of renewable plant shutdowns on the basis of periods of low utilisation of renewable sources, thus reducing their impact;
- the use of more accurate weather forecasting tools (Wind and Sun) to define generation plans and further improve Volume Risk Management strategies in the short term;
- the use of statistical risk analysis models, which make it possible to quantify the economic impacts over the life of the Plan;
- the transfer of risks to the insurance market. In particular, all extreme meteorological phenomena are covered (fires; earthquakes; volcanic phenomena; hurricanes; tsunamis/floods);
- the reduction of the impacts linked to the change in contributions from renewable sources, and regulatory and market changes mainly through geographical diversification which allows the Group to make the most of synergies in the areas in which its assets are located, and consequently to mitigate the impacts of the aforementioned risks.

It should also be noted that the Group uses management, prevention and protection strategies to reduce the possible impacts on the areas surrounding its assets. Furthermore, the assets most exposed to extreme weather events or natural disasters are regularly checked and maintained in order to ensure that they are in the best possible condition to cope with extreme weather events.

All of the Group's production sites located in Italy are also subject to ISO environmental certifications and potential sources of risk are monitored so that any critical issues can be detected promptly. In addition, over the years the Group has demonstrated its ability to anticipate radical changes in the context in which it operates, promptly modifying its growth strategy. Over the years, ERG has transformed from an operator in the refinement and distribution of fuels to a primary operator in Italy and Europe in the generation of electricity from renewable sources. ERG is committed, through its own targets of investment in "zero emission" green technologies and in particular in wind and in solar power, to providing its own contribution to the fight against climate change in line with the objectives of COP21 and the recent COP27.

### New Capital Expenditure

This risk refers to uncertain events originating from various factors, for example, scenario-related (micro/macro-economic, political, regulatory, business), technical, operational, financial or organisational, which may impact the success and profitability of a new investment initiative.

Risks are mainly attributable to the impossibility of developing certain economic and financial forecasts over the period of the Plan or the life of a Project (in the event of a specific initiative), with resulting income statement or financial position losses, or worsening of the Group's image. Some examples of risks that can be included in this type are: (i) the possibility that the envisaged Capex targets will not be achieved in the time and/or cost defined in the strategic plan due to changing market conditions with possible delivery delays due to difficulties procuring from strategic suppliers/sub-suppliers and requests for price adjustments on existing agreements; (ii) the possibility that the plan Opex will also undergo an increase; (iii) as a consequence of inflationary

pressures and/or tensions on the financial and commodities markets, impairment issues, and more generally impairment of assets, linked in addition to the potential negative effects in terms of EBITDA, to the increase in returns requested by investors.

To minimise risk, in accordance with company policies, the ERG Group has defined specific structured processes for the selection of investments, providing for a series of subsequent levels of review and approval carried out on the basis, inter alia, of internal and external support studies, benchmark analyses, legal-regulatory analysis and financial assessment/planning models. For all relevant projects, the main risks are associated with:

- Potential impacts and strategy/measures to contain/eliminate risk;
- Items follow-up to monitor the mitigation processes. Furthermore, the Group updates periodically the WACC/HR, including through benchmarking, to ensure an adequate return with respect to the expected risk profile.

### Risks related to the Rating of the Parent ERG S.p.A.

Any downgrades by rating agencies could limit the possibility of accessing capital markets and raise the cost of funding with consequent negative effects on the Group's financial position, results of operations and cash flows.

ERG implements a risk mitigation strategy, which runs at different levels and involves pursuing: (i) a balanced financial structure in terms of duration and composition, (ii) continuous monitoring of actual and expected results and financial balances, (iii) the systematic generation of cash by its business activities including through the long-term securing of sales revenue and (iv) geographical and technological diversification of its plants.

In 2025, ERG's risk profile, as assessed by the Fitch rating agency, remains Investment Grade "BBB-" with stable outlook. In addition to strictly endogenous and market variables, ERG's rating is also linked to Italy's sovereign rating.

### Reputational Risk

This risk relates to the potential effects deriving from a negative perception of the ERG Group's reputation, understood as expectations, perceptions and opinions developed over time by all stakeholders (customers, suppliers, investors, media, etc.). Among the various factors that negatively affect reputation, some examples are: inconsistency between what has been achieved and the communicated targets and/or a misalignment between the performance and stakeholders' expectations; the dissemination of negative news, factual or otherwise, which may compromise trust, reliability and/or credibility.

The Group mitigates the risk of deterioration of its reputation among stakeholders, through:

- A structured ESG process that envisages a strategic ESG plan with measurable objectives and KPIs, social responsibility initiatives and the disclosure of the "Non-Financial Statement";
- Continuous monitoring of stakeholders' perception of the ERG brand;
- Specific active communication and information relations with the main stakeholders;
- Constant monitoring of all communication channels;
- A Crisis Management process that, through a structured approach, makes it possible to promptly manage and contain the effects of crises to safeguard ERG's reputation.

## FINANCIAL RISKS

### Price Risk (Commodity Risk)

This risk is identified as the possibility that fluctuations in the purchase and sale price of Commodities will cause variations in the operating results such to compromise achievement of the objectives defined in the strategic plan.

In exercising its activities, the ERG Group is mainly exposed to fluctuations in Electricity prices for all generation plants for which the sale of electricity on the market is envisaged.

The ERG Group minimises the impact of the fluctuations in commodities prices through:

- An aggregate view by portfolio, which permits the allocation of risks where they can be more effectively managed, benefiting from the offsetting of positions with opposite signs;
- The definition of risk exposure limits and of an associated escalation process if the limits are exceeded, identifying the persons responsible for defining/authorising actions to return below the limits;
- The definition of processes and responsibilities for monitoring the exposure level using appropriate indicators (e.g., P@R, V@R, Stop Loss, Profit Taking, Open positions);
- The definition of minimum and maximum hedging quantities (Hedging Ratios) on electricity sales over the life of the plan;
- The use of derivative instruments to stabilise cash flows generated, contributing to guaranteeing the Group's economic and financial balance. The use of derivative instruments is authorised only if there is an underlying asset to pursue the reduction of the economic impacts tied to price volatility on the financial market and it is constantly monitored;
- The use of Power Purchase Agreements (PPAs) or multi-year contracts through which the supply of electricity between two parties is regulated: the seller, represented by the owner of plants for the production of energy from renewable sources, and the buyer, generally an energy wholesaler or production company; these contracts can be virtual contracts (VPPAs), i.e. financial contracts through which payment is exchanged on the delivery dates on the basis of the price defined in the contract for a variable price, without the physical transfer of the underlying electricity.
- Where possible, balancing of the purchase formulas (for example, for natural gas) with chargeback to end customers and/or transfer into sales agreements of the higher costs arising from fluctuations in prices, including specific clauses reducing emerging costs (e.g., linked to the profile).

### Liquidity

This is the risk resulting from the lack of financial resources to meet both short-term and medium/long-term commercial and financial commitments. This risk considers the possibility that the company may not be able to meet its commitments (funding liquidity risk) or that it may only be able to do so at unfavourable economic conditions due to situations of tension or to the changed market perception of riskiness of the Group (or of one of its companies).

ERG mitigates the risk through the pursuit of a balanced financial structure in terms of duration and composition, constant monitoring of the financial balance and systematic generation of cash by its business activities. The Group's objective is to maintain the subject risk profile at extremely low levels through implementation of a financial planning process having the following objectives:

- Enabling the Group to be solvent both under normal conditions of conducting business and under crisis conditions, optimising the related opportunity cost;
- Ensuring an adequate level of operational elasticity, optimising the cost of funding in relation to the current and future market conditions; the Group uses a prudent approach in estimating the projected cash inflows and outflows, taking into account the impact assessments of various scenarios, including stress-based ones, which identify the risk factors that could alter the cash flows envisaged in the Financial Plan (e.g. changes in scenarios,

postponements of disposals) and define and implement the relative mitigation measures;

- Maintaining a balance in terms of duration and composition of debt, also thanks to an operating structure based on assigned limits that undergo periodic revision and approval, and a second-level control structure, autonomous from the first, which verifies its functioning;
- Guaranteeing an adequate distribution of credit lines, cash deposits and the relative financial assets among the major Italian and international banks.

In order to ensure the efficient management of liquidity, treasury activities are centralised within the Parent, which meets the liquidity requirements of the Group primarily with cash flows generated by ordinary operations and with credit lines, where necessary, ensuring an appropriate management of liquidity. To pursue its risk mitigation objectives, the ERG Group's stock of financial assets is used in short-term financial instruments that are highly liquid, preferring a very limited risk profile. Short selling is not permitted under any circumstances.

### Commercial Credit Risk

This is the risk of unexpected changes in the creditworthiness of a counterparty with respect to which there is an exposure that could have negative consequences in terms of income and capital. The objective of the Group is to maintain the risk profile at extremely low levels, through the preliminary evaluation of creditworthiness of the counterparties and the adoption, where deemed necessary, of risk mitigation tools, such as the acquisition of guarantees.

In particular, in pursuing its commercial and business objectives, ERG minimises the credit risk profile, through:

- The definition of risk exposure limits at Group level and of any risk mitigation tools (e.g. Bank Guarantees/Sureties/Letters of Patronage) to ensure that the risk profile is aligned with the Group's requirements;
- A structured, active management process for credit, in which specific Organisational Units and a Credit Committee:
  - Assess the creditworthiness of each individual commercial counterparty in terms of Rating, Credit Limit and Probability of Default and assign to them specific levels of reliability in terms of maximum exposure (so-called credit limit);
  - Analyse the risk profile of the portfolio and the levels of exposure to counterparties in terms of credit limit granted and sales;
  - Conduct ageing analyses and constant monitoring of the overall exposure and of the exposure by counterparty, evaluating the definition and implementation of specific corrective measures.

Moreover, the Group has defined the types of guarantees that may be accepted in the case of credit to counterparties with an unsatisfactory economic/financial assessment and the financial institution (banks and insurance companies) qualified to issue such guarantees.

### Credit Risk towards Financial Counterparties

This is the risk that unexpected changes in the creditworthiness of a financial counterparty to which an exposure exists (e.g., cash deposits) could cause consequent negative economic/equity impacts and damage to the group's image. The Group's objective is to find the right balance between the return on financial investments and minimise the relative counterparty risk, through:

- Dealing with counterparties with Investment Grade Public Rating or, in the absence thereof, a specific authorisation by the CEO with the input of the Risk Committee;
- Risk diversification strategies (e.g., by depositing liquidity in various banks and/or using investment funds) as per the guidelines of the Risk Committee;
- Verification that each financial counterparty is not on any national and/or international Black List;
- Constant monitoring of the standing of counterparties and an escalation process in case of negative events and/or worsening of the risk profile.

At Group level, a structured process is in force, entailing:

- The autonomy of Finance in depositing cash up to 12 months at banks with an Investment Grade Rating (at least one Investment Grade Rating by S&P, Moody's and Fitch);
- An authorisation process (involving the Risk Committee) for uses of cash over 12 months or at banks with a rating below Investment Grade.

### Interest Rate Risk

This is the risk that an unexpected change in interest rates may entail a change in the value of financial positions and of the related level of expenses. In this sense, changes in market rates can have negative impacts on the level of financial expense, such as to compromise the financial stability of the Group and its capital adequacy. The ERG Group mitigates this risk by:

- Seeking and finding financial resources at the best conditions offered by the market, in compliance with the restrictions set by the Risk Committee, including through the use of the bond market which makes it possible to contain the risk through the issue of fixed-rate bonds with medium/long-term maturities;
- Regularly monitoring the level of exposure to risk and compliance with the restrictions set by the Risk Committee;
- Using derivative instruments (e.g. IRS, Interest Rate Swaps), authorised exclusively in view of the existence of an underlying asset;

Pursuing the following objectives:

- Identifying the optimum combination of fixed and floating rates;
- Optimising the Group's cost of debt within the risk limits assigned by the Chief Executive Officer, whose decision is supported by the input of the Risk Committee, and made in line with the business nature;
- Reducing the possible economic impacts tied to rate volatility on the financial market.

### Currency Risk

Changes in the exchange rates of the foreign currencies with which the Group operates may impact:

- Profits, as a result of (i) the different percentage of costs and revenue expressed in a foreign currency with respect to when the price conditions were defined (economic risk); (ii) the translation of trade receivables or payables or financial assets or liabilities denominated in a foreign currency (transaction risk);
- On the consolidated financial statements (profit and equity) by effect of the conversion of assets and liabilities of companies that prepare their financial statements in another currency (translation risk).

The ERG Group adopts a currency risk management strategy based on:

- The acceptance of currency risk, without prejudice to the possible mitigation actions referred to in the following points, in consideration of the limited exposure that the ERG Group has at the date of approval of this policy. For the purposes of this policy, a level of exposure understood as EBITDA@Risk, calculated at the 95th percentile, higher than 5% of the Group's EBITDA, is considered a warning signal to be submitted to the Risk Committee.
- The review or confirmation at least once a year of the adequacy of the aforementioned currency risk acceptance strategy in light of developments in Wind/Solar technology and/or changes in the macroeconomic scenario.
- The definition of processes and responsibilities for the regular monitoring of the EBITDA@Risk of Foreign Operations in currencies other than the functional currency for the ERG Group, taken individually and in aggregate.
- Where possible, the pursuit of a balance between assets and liabilities expressed in foreign currencies, thereby minimising net exposure, and financing capital expenditures at M/L term in the local currency, the profitability and cash flows of which are mainly expressed in said currency.
- The definition of processes and responsibilities for the approval of any measures to mitigate the level of risk if the periodic monitoring, the annual risk budget or the approval of a strategic investment suggest their implementation. As for monitoring, any

mitigation actions must be assessed on the basis of their impact in a consolidated view of the Group and not of the individual subsidiary, subject to exceptions related to specific situations (e.g. financial covenants to be met, loans in foreign currency during the construction phase, commitments under loan agreements) and approved by the Chief Executive Officer;

- The use of financial instruments for risk hedging, authorised by the Chief Executive Officer after consulting the Risk Committee, exclusively in the event of the existence of an underlying asset and if they come under the following:
  - Spot transactions;
  - Currency swaps;
  - Outright forwards;
  - NDF (non-deliverable forwards);
  - Currency futures;
  - Currency options.
- The repatriation, as soon as possible, of the net cash generated in foreign currency by Foreign Operations, within the limits of the liquidity necessary to support their operations, in compliance with the contractual restrictions of project financing and consistently with the expiration dates of any hedging derivatives that may have been approved.

### Disputes

This risk refers to the possibility that one of the companies of the ERG Group (or its employees) may be involved in civil and/or administrative and/or tax proceedings and/or in legal actions deriving from potential violations of laws or regulations, from contractual or extra-contractual liability or from other controversies (e.g., labour disputes), which could result in damages or sanctions, or damage the Group's reputation.

The risk refers also to the possibility that a Group company may appeal an act or a measure harming its own interests, promulgated by institutions or administrative bodies or by independent authorities.

The ERG Group implements a risk mitigation strategy which involves:

- The oversight, delegated to specific corporate departments, of the reference legislation (legal, tax, etc.);
  - Management of the pre-litigation phase with the support of specialists in the legal and tax areas;
  - Management of litigation by outside law firms of high standing, experienced in the specific matters;
  - Constantly monitoring the evolution of ongoing litigation and assessing the probability of loss; for risks for which loss is deemed likely, an estimate of the economic impact is made, which takes into consideration all possible consequences and a provision is allocated in the financial statements;
  - Preparation and submission of periodic reports providing updates on the disputes, also through 231 flows to the Supervisory Bodies.
- In the event of non-recurring transactions (e.g. acquisition of companies, establishment of JVs), specific Due Diligences (e.g., legal, tax) are conducted in order to mitigate the risk of disputes and, if considered appropriate, the counterparty is asked to provide the specific guarantees outlined in the contractual agreements governing the transaction.

With regard to the issuance of acts or measures that are harmful to its interests, risk is mitigated through:

- Regular and correct management, coordinated at Group level, of direct relations, or through trade associations, with Institutional Stakeholders at the local, national and international level;
- Participation in preparation of the acts or measures (including consultation procedures);
- Any appeal before the competent authorities against the acts or measures considered to be detrimental.

The strategies for managing this risk are implemented in accordance with corporate policies.

## OPERATIONAL RISKS

### Health, Safety and Environment (HSE) Risk

The Risk is mainly linked to the operation of industrial assets that have an impact on the health and safety of workers and on environmental topics:

- Health risks are those that can potentially impact and compromise the natural equilibrium of the personnel tasked with performing operations or work, following the emission of environmental risk factors, of a chemical, physical and biological nature, into the environment. Safety risks relate to the occurrence of accidents or injuries, or of physical harm or impairment (more or less serious) suffered by persons performing the various work activities.
- Environmental risks are connected with the possible occurrence of events that cause an alteration of the physical-chemical parameters characterising the environmental matrices (such as: water, air and soil), with negative consequences on the natural habitat and/or on the persons' health.

The ERG Group, which is strongly committed to mitigating such risks, has adopted specific Health, Safety and Environment guidelines which, in line with reference international best practices, require that all the Group's Companies:

- adopt principles and behaviours defined in specific sustainability guidelines that require all Group companies to comply with all regulations in force;
- adopt guidelines for the assessment of health and safety risks capable of upholding both the principle of prevention and compliance with the legal obligations of the responsible parties, first and foremost the Employers of the ERG group;
- pursue specific performance objectives, ongoing training of personnel and the certification of specific integrated Health & Safety management systems based on international reference standards;
- have a system of sanctions for behaviours that may endanger the safety and health of all personnel, whether internal or external, who carry out their activities within the Group's plants/areas of responsibility;
- take out specific insurance policies for the transfer of risks to cover accidents to personnel and/or any civil liability related to accidents.

The ERG Group monitors and manages risk through the following non-exhaustive list of analyses and tools:

- Information, education and training of human resources (employees and non-employee on-site workers) on the environment, health and safety;
- Implementation of health and safety management systems certified according to international standards, for the purpose of preventing the related risks (ISO 45001);
- Assessment of risk factors in terms of health and safety with the issue of specific assessment documents that explain the risk levels, resulting from the analysis carried out and the application of suitable prevention and protection measures;
- Processing of preventive measures and related control systems;
- Control and supervision of Health & Safety topics.

### Information & Communication Technology risks

ICT risk management is based on safeguarding the three core principles of information security: availability, confidentiality and integrity of data and digital services. Availability ensures that systems are operational when required; confidentiality guarantees that information is accessible only to authorised parties; and integrity protects data from unauthorised alteration. Risk identification, assessment and mitigation activities are structured around these three pillars to address threats that may impact business processes. The organisation has adopted ICT processes aligned with ISO/IEC 27001 and ISO/IEC 27019 standards. In 2024, an official certification issued by an accredited body was obtained, attesting to the robustness of the information security management system. This certification does not represent a static milestone, but rather

the beginning of a progressive expansion process, both in terms of the depth of business processes included within the scope and the geographical coverage of assets. The objective is to gradually extend the certified perimeter to encompass additional operational functions, infrastructures, sites and systems, thereby ensuring an increasingly consistent and mature level of protection across the entire value chain.

Risk management effectiveness is further strengthened by a cyber security awareness programme addressed to all personnel. The programme includes periodic training initiatives, awareness campaigns, phishing simulations and updates on emerging threat scenarios, with the aim of fostering a security-conscious culture and reducing risks linked to inadvertent behaviour.

ICT risk management entails ongoing threat analysis, vulnerability assessments and the definition of mitigation measures, supported by technical controls such as network segmentation, redundant architectures, backup and replication systems, EDR and SIEM solutions, structured patch management processes and access controls based on the principle of least privilege. Business continuity is ensured through regularly updated Business Continuity and Disaster Recovery plans, which are subject to periodic testing to verify their effectiveness and timeliness.

Another critical element concerns the management of suppliers and outsourced ICT services. The organisation applies formal processes for supplier evaluation, onboarding and monitoring, with particular focus on cloud services and those involving sensitive data or impacting critical processes. SLAs, security audits and contractual clauses contribute to appropriately managing third-party risks. In addition to technical, organisational and procedural measures, the company has for several years mitigated part of the residual risk through a dedicated cyber risk insurance policy. In accordance with the applicable terms and conditions, this policy supports the management of financial impacts arising from significant incidents, covering response and recovery costs, crisis management, third-party liability and reputational damage. While not replacing internal security measures, insurance provides an additional layer of resilience. Finally, the company is engaged in a compliance programme aimed at aligning with the requirements of the NIS2 Directive, involving the strengthening of the security management system, the review of implemented controls, the formalisation of incident reporting processes and the introduction of additional governance measures and cooperation with the competent authorities.

### Continuity of service

This risk is connected to the occurrence of natural, accidental or catastrophic events (i.e. earthquakes, floods, fires, etc.), with negative consequences in terms of revenue or of preservation of corporate assets, such as to significantly undermine the Group's operations and balance.

As regards the risks of plant unavailability, the ERG Group mitigates these risks through:

- Plant management policies aimed at pursuing high levels of safety and operating excellence, in line with the best industrial practices;
- The adoption and constant updating, in line with sector best practices, of scheduled maintenance procedures, both ordinary and preventive, to identify and prevent potential critical issues, also based on specific engineering analyses conducted by specialised personnel;
- Periodic revision of the plants and the use of control and remote control instruments in order to monitor technical parameters and promptly detect any potential anomalies as well as, where possible, the use of component redundancy to ensure the continuity of productive processes;
- Ongoing specialised training courses for technical personnel working on the plants.

ICT solutions are also expected to be adopted to identify technical problems, aimed at allowing a predictive approach for planning maintenance operations in order to limit outages for accidental breakdowns.

As regards production processes, particular attention is paid to the prevention and control of the related risks, through the

implementation of risk assessments, business impact analyses and a business continuity management activity.

The ERG Group uses the insurance market to cover natural and catastrophic risks and to transfer its own industrial risks, thereby guaranteeing a high level of protection, including with regard to the interruption of activities; the contractual conditions of these insurance policies are revised periodically.

### Human Capital

This is defined as the risk that the global rewarding systems present in the Group (formed by fixed and variable components and benefits) may be inconsistent with respect to the persons' motivation or to the market benchmarks, with a resulting economic impact for the Group caused by the loss of key professionals and/or professionals deemed strategic.

The Group mitigates this risk by developing remuneration strategies and policies based on weighting and matching positions, aligned with market benchmarks, in order to ensure the effectiveness of the rewarding components (monetary and otherwise). In particular, the Group uses differentiated retention instruments according to the level of strategic relevance and seniority of its personnel, in line with company policies. From this perspective, the fixed component of remuneration assures retention through continuous market benchmarks, while the variable component assures the alignment between corporate objectives and individual interests by awarding bonuses upon attaining long-term objectives (LTI) and short-term objectives (MBO).

This risk is the possible negative impact deriving from an inappropriate management of individual and collective relations with employees, which generates potential internal and/or external conflicts and compromises the attainment of the business objectives. Relations with employees, deriving from the employment agreement, are assured, both individually and collectively, through compliance with labour laws and regulations and with international standards pertaining to human rights, diversity and equal opportunity and the establishment of a business culture centred on:

- continuous relations with the Workers' Representative Organisations at national and local level;
- employees' participation in business objectives;
- second level negotiation activities.

### Procurement and Supply Chain

This risk is identified as the possibility that the Group will incur losses or higher costs, reputation damage or interruption in business continuity, at least in the short term, as a result of the loss of a strategic supplier (e.g. going out of business, bankruptcy). ERG minimises the risk through:

- the development of a supplier selection and qualification process (economic/financial, technical and HSE) according to defined parameters and criteria, through the use of tenders with the identification of a minimum number of suppliers, assuring structured rotation whenever possible;
- the maximisation of the use of economic tenders for the procurement of goods and/or services with the identification of a minimum number of suppliers, guaranteeing, where possible, structured rotation of the suppliers themselves;
- the definition of a cumulative purchase threshold with reference to a single supplier;
- the identification of specific Organisational Units responsible, in particular, for selecting and monitoring the performance of suppliers;
- the development of specific internal contracts with safeguard clauses;
- specific activities for the monitoring and control of the purchasing processes, aimed at ensuring compliance with the quality parameters and concentration of orders as defined in Group procedures.

It should also be noted that, over recent months, there has been a general increase in the prices of all major commodities, driven in particular by persistent geopolitical fragility linked to the ongoing

conflict in Ukraine, as well as recent developments in the Middle East, Venezuela and Greenland, not to mention the adverse impact of US tariff policies, which have increased the cost of international trade. There is also continued significant tension in logistics, and the price of products (e.g. turbines, solar panels) is rising due to the impact of tensions on the raw materials markets.

## COMPLIANCE RISKS

### Risk of violation of Anti-Corruption Regulations

This risk pertains to the possibility that an employee and/or a Group Company may be involved in a proceeding for offences committed in violation of current anti-corruption regulations.

ERG condemns all corrupt practices with the utmost rigour and without exception. To prevent corruption offences, the Group has adopted a system of rules and controls defined in relation to the national and international regulatory context in which it operates.

For all Group companies:

- A system of rules of conduct adopted by group companies (Code of Ethics, 231 Model and Anti-corruption Policy) has been defined, which all employees are required to comply with in carrying out their activities and which prohibit any form of corruption, active or passive, involving not only public officials but private parties as well;
- Responsibilities and specific spending powers (authorisation and signature) are defined and assigned in order to limit the possibility that a single person may complete an entire process autonomously;
- Specific employee training programmes are defined and implemented, to enhance their knowledge, on one hand, of the regulatory anti-corruption framework (and the relative sanctions system), and on the other hand the rules of conduct adopted by the Group (e.g. Code of Ethics, 231 Models and Anti-Corruption Policy); these activities also involve the Directors;
- There is an ongoing process, overseen by the Supervisory Bodies under Italian Legislative Decree no. 231/01, for the management of the reports of conduct contrary to the principles of the Code of Ethics and of the 231 Models; this process, with reference to possible violations of the Anti-corruption Policy, is overseen by "231 Compliance";
- A "Significant Third Party" verification process is defined, through which the corruption risk related to the establishment of a contractual relationship is assessed in concrete terms, identifying, where necessary, the appropriate risk mitigation and management measures;
- Specific third-level controls are carried out by Internal Audit with regard to compliance with the principles set out in the Code of Ethics, the 231 Models and the Anti-corruption Policy.



### Country Risk

This is the risk of possible changes in the political, legislative, economic and/or social framework of a country that may have negative impacts on operations, income statement results and/or the financial equilibrium. Some examples are: (i) the lack of a stable legal framework and uncertainties about the protection of the rights of foreign operators in case of contractual breaches by state agencies or other private parties; (ii) the penalising enforcement of laws or unilateral contractual changes entailing the reduction of the assets' amounts; (iii) increases in taxes; (iv) complex authorisation processes that impact the time-to-market of development projects; (v) delays, revisions or non-compliance with targets for combating climate change with the consequent reduction of investments in renewable energies, including in infrastructure supporting the development of the renewable generation (e.g., transmission and distribution networks).

In particular, the ERG Group implements a mitigation strategy that provides for:

- Not assuming risk and hence not executing investments in countries with political/social instability that makes them unsuitable to the risk profile the Group intends to assume;
- Mitigating risk in countries where there is considerable interest in making new investments, requiring an adequate return in relation to the expected risk profile. This assessment is carried out by analysing the main indicators of the country in question (e.g. macroeconomic and financial indicators).

The mitigation of risk also involves the creation, development and maintenance of relations with key institutions and stakeholders, in order to understand the political, institutional and regulatory scenario of the country of interest for the Group and its possible impacts on the business. The assessment of whether or not to invest in a country also takes into account that country's endorsement of international treaties for combating climate change and/or the objectives that country has set itself to combat Climate Change (e.g. renewable energy penetration targets).

# CONSOLIDATED FINANCIAL STATEMENTS AND OTHER INFORMATION

## INCOME STATEMENT

This section presents both the reported financial figures, calculated on the basis of the figures disclosed in the Notes to the Consolidated Financial Statements — where the accounting results relating to the Swedish asset, which was in the process of disposal at the Reporting Date, are presented separately in accordance with the requirements of IFRS 5 — and the adjusted financial figures, shown excluding special items and including the results of the Swedish asset under disposal at the Reporting Date, which made a full economic contribution in 2025<sup>10</sup>. The reported 2024 comparative figure was restated by indicating the contribution of the Swedish asset under the item “profit (loss) from assets held for sale” in order to facilitate an understanding of the performance of the two periods.

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 Year			Adjusted Year		
	2025	2024	Δ	2025	2024	Δ
<b>INCOME STATEMENT</b>						
Revenue	744	731	3	753	737	16
Other income	48	52	(4)	48	56	(8)
<b>Total revenue</b>	<b>792</b>	<b>783</b>	<b>8</b>	<b>800</b>	<b>792</b>	<b>8</b>
Purchases and change in inventories	(9)	(10)	1	(9)	(10)	1
Services and other operating costs	(207)	(193)	(14)	(206)	(196)	(11)
Personnel expense	(33)	(32)	(1)	(33)	(32)	(1)
<b>Gross operating profit</b>	<b>543</b>	<b>549</b>	<b>(6)</b>	<b>553</b>	<b>555</b>	<b>(2)</b>
Amortisation, depreciation and impairment losses on non-current assets	(349)	(259)	(90)	(271)	(258)	(13)
<b>Operating profit</b>	<b>194</b>	<b>290</b>	<b>(96)</b>	<b>281</b>	<b>297</b>	<b>(16)</b>
Net financial (expense)	(18)	(6)	(12)	(22)	(11)	(11)
Net gains (losses) on equity investments	4	(2)	6	(0)	(0)	(0)
<b>Profit before taxes</b>	<b>181</b>	<b>282</b>	<b>(101)</b>	<b>259</b>	<b>286</b>	<b>(27)</b>
Income taxes	(44)	(42)	(2)	(62)	(73)	11
<b>Profit from continuing operations</b>	<b>137</b>	<b>240</b>	<b>(103)</b>	<b>197</b>	<b>213</b>	<b>(16)</b>
Non-controlling interests	(5)	(3)	(8)	(5)	(3)	(3)
<b>Profit from continuing operations attributable to the owners of the parent</b>	<b>131</b>	<b>243</b>	<b>(111)</b>	<b>191</b>	<b>211</b>	<b>(19)</b>
Profit (loss) from assets held for sale	(27)	(2)	(25)	0	0	0
<b>Profit attributable to the owners of the parent</b>	<b>110</b>	<b>240</b>	<b>(131)</b>	<b>191</b>	<b>211</b>	<b>(19)</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 the United States;
- incentives related to the output of wind farms and solar installations in operation.

**Reported revenue for 2025** amounted to EUR 744 million, up compared to 2024 (EUR 731 million), mainly due to the contribution of the new capacity progressively installed between 2024 and 2025 and higher prices captured, largely offset by significantly lower than average wind speeds in Europe and a scenario of falling prices starting in the second half of 2025.

### 2 - OTHER INCOME

This item includes insurance reimbursements, indemnities and expense recoveries.

It should be noted that during the financial year, a partial release of provisions for risks (EUR 4 million) was made, recorded in relation to certain acquisitions made in previous years, as well as the release of provisions relating to potential charges in Eastern Europe (EUR 4 million), for which the requirements that originally led to their recording no longer exist.

Furthermore, starting from the second quarter of 2024, this item also includes income from PTC (Production Tax Credit) provided for in Tax Equity

<sup>10</sup> In 2025, the gross operating profit of the Swedish wind asset included in “Assets held for sale” amounted to EUR 5 million (EUR -27 million on the profit for the year, including the impairment loss on of the asset for EUR -26 million in application of IFRS 5).

Partnership agreements, a typical incentive tool in the US renewable energy market, amounting to EUR 25 million in 2025 (EUR 18.5 million in the comparative year).

### 3 - PURCHASES AND CHANGES IN INVENTORIES

The item includes costs for purchases of raw materials and spare parts net of changes in spare parts inventories.

### 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 2025 do not include:

- the ancillary costs relating to non-recurring transactions equal to approximately EUR 0.4 million;
- allocations to the provisions for Disposed Businesses of approximately EUR 4 million.

### 5 - AMORTISATION, DEPRECIATION AND IMPAIRMENT LOSSES

**Adjusted depreciation and amortisation** (EUR 271 million), up compared to 2024 (EUR 258 million), refer to wind and photovoltaic plants.

The increase in the year reflects the full contribution of the new assets acquired (EUR 9 million) and developed internally (EUR 7 million), only partially offset by the end of the useful life of some components of the wind farms (EUR 3 million).

It should be noted that the adjusted figures do not include:

- the impairment losses on of photovoltaic plants in Spain as part impairment testing procedures, amounting to EUR 59 million;
- the impairment losses on of the net residual values of property, plant and equipment and intangible assets of wind farms in Italy, France and Germany, following the authorisations obtained during the year for repowering projects, amounting to EUR 18 million;
- the impairment of the net residual values of property, plant and equipment and intangible assets related to revamping projects in the Italian Solar portfolio, amounting to EUR 3 million;
- the impairment loss on intangible assets related to development projects in Germany amounting to approximately EUR 1 million.

The item includes IFRS 16 amortisation and depreciation of EUR 10.2 million in 2025 (EUR 9.6 million in 2024).

### 6 - NET FINANCIAL (EXPENSE)

**Adjusted net financial expense** in 2025 amounted to EUR 22 million, up compared to 2024 (EUR 11 million).

The difference compared to the previous year is also attributable to lower capitalised financial expenses, the accounting of the Tax Equity Partnership of the US portfolio and the impact of the application of IFRS 16 on acquisitions during the period and on new farms developed internally. The adjusted figures for 2025 do not include net income from the early repayment of two project financing agreements and the related derivative instruments used to hedge against interest rate fluctuations.

### 7 - INCOME TAXES

**Reported income taxes** amounted to EUR 33 million, in line with EUR 34 million in 2024. It should be noted that taxes for the 2024 financial year included the benefit deriving from aligning the carrying amount of goodwill with the related tax basis in the context of merger transactions<sup>11</sup> (amounting to EUR 28 million).

**Adjusted income taxes** totalled EUR 53 million, down compared to EUR 66 million in 2024, mainly due to the operating profit (loss) commented on above. The adjusted figures for 2024 did not include the aforementioned benefit from aligning the carrying amount of goodwill with the related tax basis.

The adjusted tax rate, obtained from the ratio between income taxes and pre-tax profit, amounted to 24% (25% in 2024).

In February 2026, the Italian government introduced an urgent measure to support households and businesses in reducing energy costs. The Italian Decree Law no. 21/2026 (Energy/Bills Decree Law) has provided for an increase in IRAP for the energy sector: from the tax period following 31 December 2025, for the 2026 and 2027 tax periods (with effect on the payment of advance payments in 2026), the rate is increased by two percentage points, covering activities relating to the generation, transmission and distribution of electricity. From the initial analyses of the measures introduced, an impact on the payment of advances in 2026 is estimated for the Group of EUR 5 million higher IRAP.

### 8 - PROFIT (LOSS) FROM ASSETS HELD FOR SALE

The reported profit (loss) from assets held for sale includes the contribution of the wind asset in Sweden (EUR -1 million), which was sold on 20 January 2026, as well as the impairment loss on the asset (EUR -26 million) recognised in accordance with IFRS 5. The impairment loss was isolated as a special item.

The comparative figure was restated consistently with 2025, including the loss contribution of the wind asset in Sweden (EUR -2 million).

<sup>11</sup> Pursuant to Art. 15 of Italian Decree Law no. 185/2008.

## 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 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

(EUR million)	31/12/2025	31/12/2024
Non-current assets	4,612	4,809
Net operating working capital	46	45
Employee benefits	(2)	(2)
Other assets	432	406
Other liabilities	(915)	(952)
<b>Net invested capital of assets held for sale</b>	<b>4,173</b>	<b>4,306</b>
Equity attributable to owners of the parent	3,993	4,030
Non-controlling interests	65	76
<b>Net financial indebtedness before IFRS 16</b>	<b>(121)</b>	<b>(28)</b>
<i>Lease liabilities</i>	236	228
<b>Net financial indebtedness after IFRS 16</b>	<b>115</b>	<b>200</b>
<b>Equity and financial indebtedness</b>	<b>4,173</b>	<b>4,306</b>

### 1 - Non-current assets

(EUR million)	Intangible assets	Property, plant and equipment	Financial assets	Total
<b>Non-current assets at 31/12/2024</b>	<b>1,558</b>	<b>3,204</b>	<b>47</b>	<b>4,809</b>
Capital expenditure	1	156	-	157
Change in consolidation scope	21	75	-	96
Other changes and divestments	(27)	(68)	3	(92)
Amortisation and depreciation	(92)	(202)	-	(294)
Impairment losses	(69)	(12)	-	(81)
Change IFRS 16	-	17	-	17
<b>Non-current assets at 31/12/2025</b>	<b>1,392</b>	<b>3,169</b>	<b>50</b>	<b>4,612</b>
<i>IFRS 5 Reclassification</i>	(2)	(71)	(0)	(74)

The line item **Capital expenditure** refers to **investments in property, plant and equipment and intangible assets** mainly related to the acquisition of a wind farm in the United Kingdom (43 MW), the start of repowering activities on two wind farms in Italy (141 MW of new capacity, 71 MW differential), the construction of wind farms in the UK (47 MW), Germany (28 MW) and France (18 MW), the first repowering work on a French wind farm (23 MW) and the implementation of the first storage project in Italy (12.5 MW).

The **Change in consolidation scope** row refers to the impact of the acquisition of wind assets in the United Kingdom (43 MW) in the first quarter of 2025.

The line **Impairment losses** refers to the effect of the impairment losses on photovoltaic plants in Spain (EUR 59 million) following the impairment test procedure and the impairment of the net residual values of the property, plant and equipment and intangible assets of wind farms and photovoltaic plants in Italy, France and Germany, totalling EUR 21 million, following the authorisations for Repowering and Revamping projects obtained during the year.

The line **Other changes and divestments** refers to disposals during the year, changes in the effect of exchange rates for companies in US and British currency, and the capitalisation of financial interest relating to the organic development of parks under construction.

### 2 - Net operating working capital

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

### 3 - Other assets

These mainly comprise deferred tax assets, the positive fair value of electricity hedging derivatives due to commodity price movements, tax assets 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, the fair value of VPPAs (Virtual Power Purchase Agreements), 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 year, 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

These relate to non-controlling interests in subsidiaries incorporated under US law (75%), in two solar companies in France (59%) and in Andromeda PV S.r.l. (78.5%), owner of a photovoltaic park in Italy.

#### 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", including the aforementioned liabilities.

In addition, the indebtedness reported below includes the financial indebtedness of discontinued operations of approximately EUR 13 million (of which EUR 3 million in lease liabilities).

#### Summary of the Gruppo ERG Power Generation indebtedness

(EUR million)	31/12/2025	31/12/2024
Non-current financial indebtedness	50	129
Current financial indebtedness (cash and cash equivalents)	(171)	(157)
<b>Net financial indebtedness before IFRS 16</b>	<b>(121)</b>	<b>(28)</b>
Lease liabilities	236	228
<b>Net financial indebtedness after IFRS 16</b>	<b>115</b>	<b>200</b>

Lease liabilities at 31 December 2025 amounted to EUR 236<sup>12</sup> million (EUR 228 million at 31 December 2024). The increase in the year is attributable to the increase in installed capacity.

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

#### Non-current financial indebt

(EUR million)	2025	2024
Non current financial liabilities	2	4
<b>Total</b>	<b>2</b>	<b>4</b>
Total Project Financing	64	144
Current portion of Project Financing	(16)	(18)
<b>Non-current Project Financing</b>	<b>48</b>	<b>125</b>
<b>Total non-current financial indebtedness before IFRS 16</b>	<b>50</b>	<b>129</b>
<b>Lease liabilities</b>	<b>231</b>	<b>222</b>
<b>Total non-current financial indebtedness after IFRS 16</b>	<b>281</b>	<b>351</b>

The liabilities for "Project Financing" totalling EUR 64 million<sup>13</sup> at 31 December 2025 relate to:

- EUR 49 million in loans relating to the company Andromeda S.r.l., owner of two photovoltaic systems in Central Italy;
- EUR 15 million in loans issued for the construction of a wind farm in Germany;

It should be noted that, as part of the Liability Management activities implemented by the Group in recent years, during 2025, the following were repaid in advance:

- in the first quarter, EUR 45 million relating to Project Financing disbursed for the construction of a wind farm in the United Kingdom, acquired in January 2025;
- in the fourth quarter, EUR 61 million relating to Project Financing disbursed for the construction of wind farms and photovoltaic plants in France.

<sup>12</sup> The item includes EUR 3 million in lease liabilities referring to the Swedish asset being sold at the reporting date.

<sup>13</sup> These liabilities are recognised net of medium/long-term ancillary charges recognised for accounting purposes using the amortised cost method.

## Current net financial indebtedness

(EUR million)	2025	2024
Current bank loans and borrowings	1	0
Current portion of non-current financial liabilities	-	-
Other current financial liabilities	0	10
<b>Current financial liabilities</b>	<b>1</b>	<b>11</b>
Cash and cash equivalents	-	-
Securities and other current financial assets	(128)	(101)
<b>Current financial assets</b>	<b>(128)</b>	<b>(101)</b>
Current Project Financing	16	18
Cash and cash equivalents	(60)	(86)
<b>Project Financing</b>	<b>(44)</b>	<b>(67)</b>
<b>Total current net financial indebtedness before IFRS 16</b>	<b>(171)</b>	<b>(157)</b>
Lease liabilities	5	6
<b>Total non-current financial indebtedness after IFRS 16</b>	<b>(166)</b>	<b>(151)</b>

**Securities and other current loan assets** include financial receivables from the parent company ERG S.p.A. as part of the treasury relationship.

## CASH FLOWS

The statement of cash flows is presented starting from the before IFRS 16 figures and including the flows generated by the Swedish wind asset, in order to facilitate understanding of the dynamics of cash flows for the year.

The breakdown of changes in net financial indebtedness is as follows:

(EUR million)	Year	
	2025	2024
EBITDA IAS adjusted	553	555
Change in net working capital	(81)	(66)
<b>Cash flows from operating activities</b>	<b>472</b>	<b>489</b>
Capital expenditure on property, plant and equipment and intangible assets	(157)	(232)
Asset acquisitions and business combinations	(72)	(319)
Capital expenditure on non-current financial assets	0	1
Other changes and divestments	(4)	(10)
<b>Cash flows used in investing activities</b>	<b>(233)</b>	<b>(559)</b>
Net Financial (expense)	(14)	(3)
Financial expense for closing loans	2	-
Net gains (losses) on equity investments	(0)	(0)
<b>Cash flows used in financing activities</b>	<b>(12)</b>	<b>(3)</b>
<b>Cash flows used in tax management</b>	<b>(47)</b>	<b>(39)</b>
Distribution of dividends	(76)	(66)
Other changes in equity	(11)	(11)
<b>Cash flows used in equity</b>	<b>(87)</b>	<b>(76)</b>
<b>Initial net financial indebtedness before IFRS 16</b>	<b>(28)</b>	<b>(217)</b>
Net change	93	189
<b>Total net financial indebtedness before IFRS 16</b>	<b>(121)</b>	<b>(28)</b>



**Cash flows from operating activities** for 2025 were EUR 472 million, down from 2024 (EUR 489 million) mainly due to the changes in working capital.

**Cash flows used in investing activities** in 2025 refer mainly to the impact related to the acquisition of a wind farm in the United Kingdom (43 MW), the start of repowering activities on two wind farms in Italy (14.1 MW of new capacity, 71 MW differential), the construction of wind farms in the UK (47 MW), Germany (28 MW) and France (18 MW), the first repowering work on a French wind farm (23 MW) and the implementation of the first storage project in Italy (12.5 MW).

**Cash flows used in financing activities** refer to the interest accrued during the year.

**Cash flows used in tax management** refer to the payment of direct taxes.

**Cash flows used in equity** includes dividend distributions to shareholders, changes in the cash flow hedge reserve related to derivative financial instruments, and the foreign exchange translation reserve.

# 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 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 operating results are shown with the exclusion of significant special income components of an exceptional nature (special items) and with the inclusion, also for the comparative period, of the results of the Swedish asset being sold at the reporting date, which made a full economic contribution during the financial year: these results are indicated with the definition "Adjusted results". 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 Financial Statements templates adopted are as follows.

**Adjusted revenue** is revenue, as indicated in the Consolidated Financial Statements, with the exclusion of significant special income components of an exceptional nature (special items).

**Gross operating profit (loss)** is an indicator of operating performance calculated by adding "Amortisation, depreciation and impairment losses on non-current assets" to the Operating profit (loss). Gross operating profit (loss) is explicitly indicated as a subtotal in the financial statements.

**Adjusted gross operating profit (loss)** is the gross operating margin, as defined above, with the exclusion of significant special income components (special items).

**Adjusted operating profit (loss)** is the operating profit (loss), explicitly indicated as a subtotal in the Consolidated 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 gross operating profit (loss) 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 profit (losses) from assets held for sale/discontinued operations, 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 the 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 (including Right-of-Use 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.

**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.

**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.

## RECONCILIATION WITH ADJUSTED FIGURES

### GROSS OPERATING PROFIT (LOSS)

(amounts in millions)	12 months	
	2025	2024
<b>Gross operating profit from continuing operations</b>	<b>543</b>	<b>549</b>
Assets held for sale contribution	5	6
<b>Gross operating profit</b>	<b>548</b>	<b>554</b>
<b>Special items exclusion:</b>		
<i>Italy</i>		
- Ancillary charges on non-recurring transactions <sup>(1)</sup>	0	0
- Allocation of Provision for Disposed Businesses <sup>(2)</sup>	4	1
<b>Adjusted gross operating profit</b>	<b>553</b>	<b>555</b>

### AMORTISATION, DEPRECIATION AND IMPAIRMENT LOSSES

(amounts in millions)	12 months	
	2025	2024
<b>Amortisation and depreciation of continuing operations</b>	<b>(378)</b>	<b>(268)</b>
Assets held for sale contribution	(3)	(4)
<b>Amortisation, depreciation and impairment losses</b>	<b>(381)</b>	<b>(272)</b>
<b>Special items exclusion:</b>		
Impairment Repowering/Revamping <sup>(3)</sup>	22	13
Impairment Wind farm asset Sweden	0	1
Impairment Solar Spain <sup>(4)</sup>	59	-
<b>Adjusted amortisation and depreciation</b>	<b>(301)</b>	<b>(258)</b>

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

(amounts in millions)	12 months	
	2025	2024
<b>Profit attributable to the owners of the parent</b>	<b>104</b>	<b>226</b>
<b>Special items exclusion:</b>		
Exclusion of ancillary charges on loan prepayments <sup>(5)</sup>	(2)	-
Exclusion of ancillary charges on non-recurring transactions <sup>(1)</sup>	0	2
Exclusion of impairment losses recognised on Repowering/Revamping <sup>(3)</sup>	16	10
Exclusion of expenses related to disposed Businesses <sup>(2)</sup>	0	1
Exclusion of Substitute Tax Wind & Solar Italy <sup>(6)</sup>	-	(28)
Exclusion of IFRS 5 adjustment on Sweden asset <sup>(7)</sup>	26	-
Exclusion of impairment losses on Solar plant Spain <sup>(4)</sup>	46	-
<b>Adjusted profit from continuing operations attributable to owners of the parent</b>	<b>191</b>	<b>211</b>

- Ancillary charges relating to other non-recurring transactions, as well as unsuccessful acquisitions.
- Provisions relating to exceptional items on businesses disposed of by the Group.
- Impairment losses on of existing plants subject to Repowering and Revamping plans in Italy (of which EUR 10 million relating to amortisation and depreciation of wind farms and EUR 3 million relating to solar farms), Germany (EUR 8 million) and France (EUR 1 million), already approved and authorised.
- Write-down of photovoltaic parks in Spain, following the impairment test procedure.
- In 2025, the item includes financial income related to the early closures of two project financing agreements.
- Reversal of the benefit of the substitute tax to align the carrying amount of goodwill with the related tax basis in the 2022 Siena and Donatello Business combinations.
- Reclassification of the contribution of the Swedish wind asset, in application of IFRS 5 following the classification as Assets held for sale. To enhance understandability of the Group's performance, the adjusted results also include in ordinary operations the results of the asset being sold at 31 December 2025.

# ERG POWER GENERATION S.P.A. OPERATING RESULTS, FINANCIAL POSITION AND CASH FLOWS

The separate financial statements of ERG Power Generation S.p.A. for the year ended 31 December 2025 were drafted in accordance with the National Accounting Standards and with prevailing law governing the drafting of financial statements, interpreted and added to the accounting standards issued by the National Board of Chartered Accountants and the Italian Accounting Body, and take account of the revisions and updates of prevailing Italian accounting standards.

## INCOME STATEMENT

### Income Statement

(EUR million)	2025	2024
Revenue	576,161	640,499
Change in inventories of work in progress	(943)	(2,257)
Other income	4,274	7,480
<b>Total revenue</b>	<b>579,491</b>	<b>645,722</b>
Purchases	(510,724)	(585,695)
Change in inventories	1,428	3,629
Services and other operating costs	(75,384)	(64,052)
Personnel expense	(20,700)	(18,696)
<b>Gross operating</b>	<b>(25,889)</b>	<b>(19,092)</b>
Amortisation, depreciation and impairment losses on non-current assets	(7,642)	(2,935)
<b>Operating profit</b>	<b>(33,531)</b>	<b>(22,027)</b>
Net financial income	163,522	150,853
Retifiche di valore di attività e passività finanziarie	(73,979)	1,059
<b>Profit (loss) from ordinary operations</b>	<b>56,013</b>	<b>129,884</b>
Income taxes	(13,096)	(20,025)
<b>Profit for the year</b>	<b>42,916</b>	<b>109,859</b>

### Revenue from sales and services

Revenue from sales and services, equal to EUR 576.2 million, consist mainly of revenue from sales, for EUR 515.5 million (EUR 582.1 million in 2024), and revenue from services, for EUR 60.7 million (EUR 58.4 million in 2024). Revenue from sales mainly include revenue from the sale of electricity and Guarantees of Origin produced by the wind farms and solar plants of its Italian subsidiaries. Revenue from sales includes the positive impact of the hedging transactions carried out during the year.

Revenue from sales and services include revenue from services rendered to subsidiaries for Operation & Maintenance and BoP, therefore relating to the technical management of wind turbines and substations. The subject item also includes revenue for technical services and central staff services provided to the subsidiaries. This item also includes, to a residual extent, revenue for Energy Management services provided, predominantly to third parties and to Terna.

### Increases in assets under construction

This item for 2025 includes the suspension of engineering costs, blade purchases and ancillary charges, including internal personnel expense sustained for the Repowering projects, net of chargebacks made to the subsidiaries owning the wind farms (in 2025 for the repowering works at the Greci/Montaguto and Carlentini wind farms).

### Other revenue and income

The item "Revenue other than the above" decreased compared to 2024, as in the previous financial year it included a significant impact from the release of provisions for charges due to the absence of the conditions for their recognition relating to a part of the potential risks estimated in previous years and other minor items.

### Purchases

Purchase costs mainly include the costs related to the purchase of electricity, mainly from GME and its subsidiaries. Purchases include costs for raw materials acquired from third parties and subsidiaries to conduct maintenance on the wind aerogenerators on behalf of the subsidiaries.



### Services and other costs

The costs in 2025 mainly include the costs for staff services rendered by the parent company ERG S.p.A., maintenance costs substantially referring to the fees for assistance, management and maintenance services of the wind farms of its subsidiaries and other minor costs.

### Personnel expense

Personnel expense increased slightly compared to 2024, in line with the increase in the average annual size of the Company's workforce.

### Amortisation, depreciation and impairment losses

During the year, economic-technical depreciation was allocated on intangible assets for EUR 2.6 million, and on property, plant and equipment for EUR 0.7 million; this item includes for EUR 4.3 million the write-down of other receivables included in current assets recognised to take into account any lack of solvency of the same.

### Net financial income (expense)

This item includes mainly income from equity investments for dividends, distributions of reserves from subsidiaries for approximately EUR 86.3 million, interest income from subsidiaries and parent companies (for EUR 82.6 million) and financial charges (for EUR 2.4 million) mainly from subsidiaries.

### Value adjustments to financial assets

The item includes the fair value of derivative instruments open at 31 December 2025 and the changes in fair value of non-hedging instruments made during 2025. This item includes the negative impact of the write-down of the investment in the Spanish subsidiary following the I-Test (amounting to EUR 37 million) and the write-down of the investment in the Swedish subsidiary resulting from the adjustment of the investment to its fair value (amounting to EUR 36.9 million).

### Income taxes

There was a total tax amount of EUR 13.1 million to pay on the net profit (loss) for the year.

## STATEMENT OF FINANCIAL POSITION

### Statement of Financial Position

(EUR thousand)	31/12/2025	31/12/2024
Non-current assets	2,759,484	3,724,111
Net operating working capital	15,627	(24,642)
Post-employment benefits	(1,526)	(1,580)
Other assets	74,928	91,020
Other liabilities	(55,835)	(55,170)
<b>Net invested capital</b>	<b>2,792,679</b>	<b>3,733,738</b>
Equity	3,555,982	3,588,711
Non-current financial indebtedness		
Current financial indebtedness	(763,304)	145,026
<b>Equity and financial indebtedness</b>	<b>2,792,679</b>	<b>3,733,738</b>

The net invested capital amounted to EUR 2,793 million at 31 December 2025..

### Non-current assets

Non-current assets consist mainly of financial assets, which include equity investments held in wholly-owned subsidiaries, as well as non-current financial receivables from subsidiaries, a portion of which (amounting to EUR 1,021 million) has been reclassified as current financial receivables in view of management's intention to proceed with equity contributions to certain subsidiaries, which are expected to be finalised during the 2026 financial year.

### Net operating working capital

Net operating working capital consists mainly of trade receivables and trade payables owed to Group companies and third parties, and of the spare parts inventory; in 2025, it also included the equity investment in the Swedish subsidiary, in view of the Group's intention to dispose of the asset (which was subsequently carried out in January 2026), the value of which was adjusted to its estimated realisable value.

### Other assets

These consist mainly of tax assets and other receivables from Group companies.

This item also includes receivables for hedging derivatives on commodities and other assets for third-party counterparties.



## Other liabilities

These consist mainly of short-term tax liabilities, payables to Group companies, other amounts due to third parties, other provisions for risks and charges and deferred income on Virtual PPAs. This item also includes payables for hedging derivatives on commodities.

## Net financial indebtedness

(EUR thousand)	31/12/2025	31/12/2024
Non-current loans and borrowings	-	-
Financial payables due to Group companies	412,553	296,760
Financial payables due to third parties within 12 months	-	1,844
<b>Current financial liabilities</b>	<b>412,553</b>	<b>298,604</b>
Cash and cash equivalents	(10,881)	(12,338)
Financial receivables from Group companies	(1,161,837)	(98,143)
Other current financial receivables	(3,137)	(43,097)
<b>Current financial assets</b>	<b>(1,175,856)</b>	<b>(153,578)</b>
<b>Total</b>	<b>(763,303)</b>	<b>145,026</b>

Net financial indebtedness mainly comprises:

- other financial payables due to Group companies (Italian and foreign subsidiaries), up compared to 2024 mainly due to greater liquidity generated by the subsidiaries;
- loan assets from Group companies which include:
  - financial receivables due from Group companies mainly from the Parent Company (for EUR 120 million)
  - EUR 20 million in financial receivables from its Swedish investee;
  - EUR 1,021 million in receivables from subsidiaries reclassified from non-current receivables in view of management's intention to proceed with equity contributions to certain subsidiaries, which are expected to be finalised during the 2026 financial year;
- other short-term loan assets, down compared to last year due to the significant reduction in short-term liquidity investments (time deposits and overnight deposit accounts).

## MANAGEMENT NOTES ON THE MAIN NON-CONSOLIDATED SUBSIDIARIES, ASSOCIATES

In addition, it is pointed out that the Group holds equity investments in non-operating subsidiaries, listed below:

- Parc Eolien de Saint-Loup sur Cher SARL
- Parc Eolien du Puits Gergil SARL
- Parc Eolien du Plateau de la Perche SARL
- Parc Eolien des Boules SARL
- Parc Eolien de la Foye Sas
- Ferme Eolienne de la voie Sacree sud SAS
- Parc Eolien Des Grandes Bornes Sas
- Parc Eolien Des Jonquilles Sas
- Parc Eolien De La Plaine De Burel
- Parc Eolien De Saint Priest En Murat
- Parc Eolien Des Vents Communaux
- Parc Photovoltaïque de la Vallée Brousse
- Parc Eolien de six chemins
- Parc Photovoltaïque de la Vallée de la Doulaye
- Solaires ERG 1 S.a.s.
- Les Grands Bruyères
- Parc Photovoltaïque des Béluets
- Centre Photovoltaïque du Pla D'Alzau
- Fattoria Solare Futurasun S.r.l.
- REN BETA I, S.L.U.
- ERG Germany Verwaltungs GmbH
- ERG Windpark Bischhausen & Co. KG

The consolidation scope also includes the following subsidiaries in liquidation:

- ERG Petroleos S.A. in liquidation
- Eolico Troina S.r.l. in liquidation

### DISCLOSURE IN ACCORDANCE WITH ARTICLE 2.6.2, PARAGRAPH 7, OF THE REGULATION OF BORSA ITALIANA S.P.A.

In relation to the obligation under Article 2.6.2, paragraph, of the Market Regulations organised and managed by Borsa Italiana S.p.A. and taking into account the provisions of Article 15 of the Market Regulations adopted by CONSOB with its resolution no. 16191 of 29 October 2007 as amended, it is certified that (i) ERG S.p.A. acquired from *ERG UK Holding Limited, Creag Riabhach Wind Farm Ltd and Sandy Knowe Wind Farm Limited, Great Pathfinder Wind LLC, Mulligan Solar LLC* (the companies), the articles of association, the composition and the powers of the related corporate bodies; (ii) the companies provide the Group's auditors with the necessary information to carry out the audit of the annual and interim financial statements of ERG S.p.A. and have an administrative and accounting system capable of duly providing to the Management and to the auditors of the Group the income statement, statement of financial position and financial data necessary for the preparation of the consolidated financial statements.

It is hereby certified that ERG S.p.A. has made the financial statements of the companies available to the public at the registered office.

## MANAGEMENT AND COORDINATION BY ERG S.P.A.

ERG S.p.A. carries out management and coordination activities in respect of Italian and foreign direct and indirect subsidiaries, which benefit from the advantages, the synergies and the economies of scale deriving from their inclusion in the Group; these activities are carried out in compliance with the management and operational autonomy of the aforementioned subsidiaries and involve (i) the definition of business strategies, the corporate governance system and the corporate structures, as well as (ii) the determination of shared general policies pertaining to human resources, information & communication technology, accounting, financial statements, taxation, procurement, finance, investments, risk management, legal and corporate affairs, communication, institutional relations, corporate social responsibility, M&A, business development and engineering & construction.

Taking into account the corporate organisational model adopted by the Group as from 1 January 2017, the directly and indirectly controlled Italian companies with respect to which, in 2025, in accordance with Articles 2497 et seq. of the Italian Civil Code, the management and coordination activities were carried out within the scope outlined above are:

ERG Power Generation S.p.A. and the following Italian companies controlled by it directly or indirectly:

- Brevia Wind S.r.l.
- ERG Eolica Adriatica S.r.l.
- ERG Eolica Campania S.r.l.
- ERG Eolica Faeto S.r.l.
- ERG Eolica Fossa del Lupo S.r.l.
- ERG Eolica Ginestra S.r.l.
- ERG Eolica San Vincenzo S.r.l.
- ERG Eolica Tirreno S.r.l.
- ERG Solar Holding S.r.l.
- ERG Sviluppo Italia S.r.l.
- ERG Wind Bulgaria S.p.A.
- ERG Wind Investments S.r.l.
- Ginestra S.r.l.
- Green Vicari S.r.l.
- ISAB Energy Solare S.r.l.
- Eolico Troina S.r.l. in liquidation
- Andromeda PV S.r.l.
- Calabria Solar S.r.l.
- ERG Solar Piemonte 3 S.r.l.
- Fattoria Solare Futurasun S.r.l.
- ERG Wind Holdings (Italy) S.r.l.
- ERG Wind Sardegna S.r.l.
- ERG Wind Sicilia 6 S.r.l.
- ERG Wind Sicilia 3 S.r.l.
- ERG Wind 6 S.r.l.
- ERG Wind Energy S.r.l.

With reference to the provisions of Article 2497-ter of the Italian Civil Code, the decisions taken by **ERG Power Generation S.p.A.** subject to management and coordination by ERG S.p.A. are reported below.:

- **Board of Directors' meeting of 10 March 2025:**  
agenda item 5. Establishment of a new company in France; inherent and consequent resolutions
- **Board of Directors' meeting of 14 May 2025:**  
agenda item 3. Quarterly forecast for the annual investments budget
- **Board of Directors' meeting of 16 June 2025:**  
agenda item 1. Tender for the multi-year supply of electricity to RFI S.p.A.; inherent and consequent resolutions  
agenda item 2. Settlement agreement with ETA S.r.l. and Allianz S.p.A.; inherent and consequent resolutions  
agenda item 3. Settlement agreement with APEX Pinnacle I Member LLC; inherent and consequent resolutions
- **Board of Directors' meeting of 31 July 2025:**  
agenda item 3. Quarterly forecast for the annual investments budget  
agenda item 4. Multi-year electricity supply contract with A2A S.p.A.; inherent and consequent resolutions
- **Board of Directors' meeting of 26 September 2025:**  
agenda item 1. New transaction in the renewable energy sector; inherent and consequent resolutions
- **Board of Directors meeting of 13 November 2025:**  
agenda item 3. Quarterly forecast for the annual investments budget



- **Board of Directors' meeting of 27 November 2025:**  
agenda item 1. Multi-year electricity supply contract with Skellefteå Kraftaktiebolag; inherent and consequent resolutions  
agenda item 2. Settlement agreement relating to the Creag Riabhach plant (Scotland); inherent and consequent resolutions.
- **Board of Directors meeting of 11 December 2025:**  
agenda item 1. Investment budget for 2025  
agenda item 2. Calendar of meetings of corporate bodies for 2025  
agenda item 5. ERG Group Supplier Code of Conduct  
agenda item 6. Update of the ERG Group's Anti-Corruption Policy  
agenda item 7. Proposal to amend the Articles of Association
- **Signing on 30 January 2026 of a Bess Tolling Agreement with the subsidiary Green Vicari S.r.l. (effective from 17 June 2025)**

## BRANCHES

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ERG S.p.A. has its legal and operational headquarters in Genoa. The parent has no branches.

## RELATED PARTY TRANSACTIONS

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Information about related party transactions, including transactions with non-consolidated investees, is provided in the Notes to the Consolidated Financial Statements. The Procedure for Related Party transactions, adopted by the Company, is available to the public at [www.erg.eu](http://www.erg.eu). (This information is provided in the Report on corporate governance and ownership, an integral part of the consolidated Financial Statements).

## SIGNIFICANT EVENTS AFTER THE REPORTING DATE

Date	Geographical segment	Sector	Significant event
20 January 2026	<b>UK &amp; Nordics</b>	<b>Wind</b>	ERG, through its subsidiary ERG UK Holding Ltd, acquired from OnPath Energy Midco Limited 100% of a group of UK companies owning seven operational onshore wind farms in Northern England, with a total installed capacity of 73 MW. The enterprise value of the transaction amounts to approximately GBP 97 million. At the same time, through its subsidiary ERG Power Generation S.p.A., ERG sold to Nordetic AB, 100% of ERG Sweden Holding AB, owner of Furukraft AB, the company that owns the Furuby wind farm, located in Sweden, with an installed capacity of 62 MW.
21 January 2026	<b>Italy</b>	<b>Corporate</b>	The ERG Group ranked first in the Corporate Knights 2026 "Global 100 most sustainable corporations in the world" global ranking, which assessed over 8,000 listed companies. ERG was also awarded absolute leadership for reaching 100% of sustainable revenue and investments, as well as for its sustainability strategy to which the company remuneration policy is also linked.

## BUSINESS OUTLOOK 2026

The environment in which the Group operates is characterised by strong volatility both in production volumes — influenced by the availability of wind and solar irradiation — and in market prices. This is compounded by a regulatory framework that is continuously evolving and marked by elements of uncertainty, in a climate of growing political pressure on energy costs. In Italy, the recent "2026 Bills Decree" introduces a series of rules aimed at reducing the cost of electricity for households and businesses. Among these, the decree provides for reimbursement mechanisms starting in 2027, to be implemented through measures to be defined by ARERA in the coming months, for certain supply components and ETS quotas, creating a competitive advantage for gas-fired thermoelectric generation and mitigating the economic signal in favour of the transition to renewable sources. However, the effectiveness of these provisions, in particular the regulation of reimbursement to thermoelectric producers of charges related to ETS emissions, is subject to the prior authorisation of the European Commission. A better estimate of the effects of this decree can therefore only be made after this authorisation and the period of parliamentary conversion into law, i.e. within 60 days of the decree's publication in the Official Gazette (20 February 2026).

In the first two months of 2026, commodity and electricity prices are expected to decline compared to the same period in 2025. In terms of natural resources, production in the first few months of 2026 is in line with our expectations but higher than the same period in 2025, which was characterised by exceptionally low wind levels.

In order to mitigate market price volatility in line with best industry practices and its own established risk policy, ERG has in recent years carried out forward sales, mainly through long-term fixed-price supply contracts (known as PPAs) and forward contracts, including 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 produced by PUs that do not have an incentive mechanism and are therefore fully exposed to the risk of market price volatility;
2. electricity produced 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 performance indicators in 2026 compared to 2025, excluding any regulatory effects mentioned above, is as follows.



## ITALY

**Gross operating profit for Wind is expected to increase slightly** thanks to higher volumes expected for the year compared with 2025, which was characterised by exceptionally low wind conditions, although this will be largely offset by lower prices captured on spot markets and forward hedges, as well as the lower value of the GRIN incentive (50 EUR/MWh in 2026 compared with 55 EUR/MWh in 2025) on a reduction in volumes due to the gradual exit of some plants from the incentive scheme.

**Gross operating profit for Solar is expected to be substantially in line** with 2025, mainly due to lower prices captured as a result of the downward market scenario, offset by higher volumes expected.

**Gross operating profit for Wind & Solar Italy in 2026 is estimated to be substantially in line** with 2025..

## ABROAD

**Gross operating profit for Wind is expected to increase** compared to 2025 mainly due to higher output compared to the lower widespread wind speeds recorded in 2025, the scope deriving from the geographical re-focus with the purchase of 72 MW in the UK and the sale of 62 MW in Sweden, from the full contribution of a Greenfield wind farm in the UK in the second half of 2025 (47 MW) and the first contribution of a Greenfield wind farm in Germany (+22 MW) and a repowering park in France (+23 MW) MW of new capacity) expected to be operational in the second half of the year. These results are partly offset by the expected downward scenario.

**Gross operating profit for Solar is expected to increase slightly** compared to 2025, mainly due to the expected better irradiation, partly offset by lower captured prices in Spain due to a decreasing market scenario.

**Gross operating profit for Wind & Solar abroad is expected to see an increase** compared to 2025.

## GUIDANCE 2026

For the year 2026, at Group level, gross operating profit is estimated in the range between EUR 520 million and EUR 590 million.

Capital expenditure is in a range of between EUR 330 and EUR 380 million (EUR 235 million in 2025) and mainly includes the recent acquisition in the UK and the construction of the wind farms expected to be operational between 2026 and 2027 respectively for 45 MW of new capacity in 2026 and 77 MW net of new capacity in 2027. These investments do not include the sale of 62 MW in Sweden.

Genoa, 10 March 2026

On behalf of the Board of Directors  
The Chief Executive Officer

Renato Sturani



# Consolidated Financial Statements





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

(EUR thousand)	Notes	2025	2024
Revenue	1	743,712	731,206
Other income	2	47,851	52,264
Purchases	3	(8,538)	(9,714)
Services and other operating costs	4	(207,015)	(193,190)
Personnel expense	5	(33,117)	(31,873)
<b>GROSS OPERATING PROFIT</b>		<b>542,894</b>	<b>548,693</b>
Amortisation of intangible assets	21	(75,693)	(72,607)
Depreciation of property, plant and equipment	21	(191,831)	(186,273)
Reversals of impairment losses (impairment losses)	21	(81,156)	(9,099)
<b>OPERATING PROFIT</b>		<b>194,213</b>	<b>280,714</b>
Financial income	36	39,007	36,470
Financial expense	36	(56,767)	(42,322)
<b>Net financial (expense)</b>		<b>(17,760)</b>	<b>(5,852)</b>
Other net gains (losses) on equity investments	24	4,053	(2,382)
<b>Net gains (losses) on equity investments</b>		<b>4,053</b>	<b>(2,382)</b>
<b>PROFIT BEFORE TAXES</b>		<b>180,505</b>	<b>272,480</b>
Income taxes	40	(43,781)	(41,690)
<b>NET PROFIT FROM CONTINUING OPERATIONS</b>		<b>136,724</b>	<b>230,791</b>
Loss from assets held for sale		(26,981)	(2,222)
<b>PROFIT (LOSS) FOR THE YEAR</b>		<b>109,744</b>	<b>228,568</b>
Non-controlling interests		5,491	2,629
<b>PROFIT FOR THE YEAR ATTRIBUTABLE TO THE OWNERS OF THE PARENT</b>		<b>104,253</b>	<b>225,940</b>

(1) The notes commenting on individual items are an integral part of these consolidated financial statements.

(2) The 2025 and 2024 figures have been reported in accordance with IFRS 5 with reference to discontinued operations in Sweden. See section VII. Operating assets held for sale.



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

(EUR thousand)	Notes	2025	2024
<b>Profit for the year</b>		<b>109.744</b>	228.559
<b>Changes that will not be reclassified to profit or loss</b>			
Actuarial gains (losses)		(222)	124
Related tax		53	(30)
	<b>16</b>	<b>(169)</b>	<b>94</b>
<b>Changes that will be reclassified to profit or loss</b>			
Changes in the hedging reserve relating to continuing operations		(28.306)	1.438
Cash flow hedges – effective portion of the fair value change relating to assets held for sale		(3.166)	-
Related tax		7.553	(345)
	<b>29</b>	<b>(23.919)</b>	<b>1.093</b>
Changes in the translation reserve relating to continuing operations		(60.144)	17.305
Change in the translation reserve relating to assets held for sale		2.870	(2.377)
	<b>29</b>	<b>(57.274)</b>	<b>14.928</b>
<b>Other comprehensive income (expense) net of the tax effect</b>		<b>(81.362)</b>	<b>16.115</b>
<b>Comprehensive income for the year</b>		<b>28.382</b>	<b>244.674</b>
Attributable to non-controlling interests		5.491	2.629
<b>Comprehensive income attributable to the owners of the parent</b>		<b>22.890</b>	<b>242.045</b>

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



# STATEMENT OF FINANCIAL POSITION <sup>(1)</sup> <sup>(2)</sup>

(EUR thousand)	Notes	31/12/2025	31/12/2024
<b>ASSETS</b>			
Authorisations and concessions	15	936,289	1,087,846
Other intangible assets	16	11,628	15,850
Goodwill	17	441,888	453,988
Property, plant and equipment	18	2,893,974	2,987,780
Right-of-use assets	19	203,962	216,245
Equity investments:			
- carried at equity	23	390	428
- other equity investments	23	424	357
Financial assets measured at fair value	31	13,024	23,808
Other non-current financial assets	25	49,339	46,654
Deferred tax assets	42	73,266	120,986
Other non-current assets	10	49,512	49,325
<b>Non-current assets</b>		<b>4,673,697</b>	<b>5,003,266</b>
Inventories	7	24,985	23,435
Trade receivables	6	136,608	135,630
Other current assets	9	124,107	99,158
Current tax assets	41	29,906	22,101
Financial assets measured at fair value	31	6,275	7,706
Other current financial assets	32	115,753	83,882
Cash and cash equivalents	30	49,870	85,714
<b>Current assets</b>		<b>487,504</b>	<b>457,627</b>
<b>Assets held for sale</b>		<b>79,814</b>	<b>-</b>
<b>TOTAL ASSETS</b>		<b>5,241,016</b>	<b>5,460,892</b>
Share capital	28	100,000	100,000
Other reserves	28	2,877,489	2,835,326
Retained earnings	28	910,839	868,319
Profit for the year	28	104,253	225,930
<b>Equity attributable to the owners of the parent</b>		<b>3,992,580</b>	<b>4,029,575</b>
<b>Non-controlling interests</b>	29	<b>65,353</b>	<b>76,485</b>
<b>Equity</b>		<b>4,057,933</b>	<b>4,106,060</b>
<b>LIABILITIES</b>			
Employee benefits	14	2,099	1,984
Deferred tax liabilities	42	210,386	277,861
Provision for dismantling expenses	20	91,968	90,630
Other non-current provisions	26	30,562	38,447
Financial liabilities measured at fair value	35	96,272	99,104
Non-current financial liabilities	33	30,161	127,252
Non-current lease liabilities	34	227,529	221,818
US Tax Partner Liability	12	119,785	162,510
Other non-current liabilities	13	82,621	61,086
<b>Non-current liabilities</b>		<b>891,383</b>	<b>1,080,693</b>
Other current provisions	26	29,630	29,054
Trade payables	8	116,002	114,528
Financial liabilities measured at fair value	35	11,245	9,832
Current financial liabilities	33	17,680	29,406
Current lease liabilities	34	4,539	5,820
Other current liabilities	11	72,025	50,112
Current tax liabilities	41	17,441	35,388
<b>Current liabilities</b>		<b>268,561</b>	<b>274,140</b>
<b>Liabilities associated with assets held for sale</b>		<b>23,139</b>	<b>-</b>
<b>TOTAL LIABILITIES</b>		<b>1,183,083</b>	<b>1,354,833</b>
<b>TOTAL EQUITY AND LIABILITIES</b>		<b>5,241,016</b>	<b>5,460,892</b>

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

(2) The figures at 31 December 2025 have been reported in accordance with IFRS 5 with reference to the disposal of assets in Sweden. See Section VII. Assets held for sale.



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

(EUR thousand)	2025	2024
<b>CASH FLOWS FROM (USED IN) OPERATING ACTIVITIES (A):</b>		
Profit for the year	109,744	228,559
Amortisation, depreciation and impairment losses on non-current assets	330,855	272,565
Increase in other provisions	5,367	3,953
Decrease in other provisions	(13,355)	(20,934)
Impairment losses on current assets	(185)	(185)
Net gains (losses) on equity investments	(4,053)	1,412
Changes to post-employment benefits	114	(348)
Financial expense	17,760	10,915
Income taxes	43,781	40,941
Other changes in non-monetary items	56,869	19,166
	<b>546,898</b>	<b>556,045</b>
<b>Change in other current assets and liabilities:</b>		
Change in inventories	(1,550)	(3,274)
Change in trade receivables	844	25,719
Change in trade payables	(7,672)	(6,251)
Net change in other assets/liabilities	(30,240)	(19,057)
Change in fair value of hedging derivatives on commodities with monetary recognition	-	(907)
Tax payment	(40,289)	(34,546)
	<b>(78,906)</b>	<b>(38,316)</b>
<b>CASH FLOWS FROM OPERATING ACTIVITIES OF CONTINUING OPERATIONS (A)</b>	<b>467,992</b>	<b>517,728</b>
<i>CASH FLOWS FROM (USED IN) OPERATING ACTIVITIES OF ASSETS HELD FOR SALE</i>	<i>12,340</i>	
<b>CASH FLOWS FROM (USED IN) OPERATING ACTIVITIES</b>	<b>480,332</b>	<b>517,728</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES (B):</b>		
Acquisition of intangible assets and goodwill	(3,903)	(4,008)
Acquisition of property, plant and equipment	(165,643)	(227,591)
Acquisitions of equity investments and other non-current financial assets	(78)	(191)
Net change in other increases/decreases in non-current assets	2,413	(28,713)
Net change in equity investment consolidation method	48	-
Collection from disposal of equity investments for price adjustment clauses	4,082	-
Disposals of equity investments and other non-current financial assets	318	(668)
Net change in other current financial assets	(14,842)	194,607
Change in the Consolidation Scope due to business combination (3)	(28,338)	(250,862)
<b>CASH FLOWS FROM (USED IN) INVESTING ACTIVITIES OF CONTINUING OPERATIONS (B)</b>	<b>(205,943)</b>	<b>(317,425)</b>
<i>CASH FLOWS FROM (USED IN) INVESTING ACTIVITIES OF ASSETS HELD FOR SALE</i>	<i>-</i>	<i>-</i>
<b>CASH FLOWS FROM (USED IN) INVESTING ACTIVITIES</b>	<b>(205,943)</b>	<b>(317,425)</b>
<b>CASH FLOWS FROM (USED IN) FINANCING ACTIVITIES (C):</b>		
Ordinary repayments of non-current loans	(14,900)	(22,587)
Net change in loans to Group companies not consolidated line by line	(57,641)	(31,739)
Net change in other current financial assets/liabilities	(25,189)	(25,730)
Interest paid	651	(3,796)
Early closure of loans	(106,641)	-
Dividends paid to third parties	(75,987)	(65,598)
Decrease in lease liabilities	(18,187)	(16,811)
<b>CASH FLOWS FROM (USED IN) FINANCING ACTIVITIES OF CONTINUING OPERATIONS (C):</b>	<b>(297,893)</b>	<b>(166,260)</b>
<i>CASH FLOWS FROM (USED IN) FINANCING ACTIVITIES OF ASSETS HELD FOR SALE</i>	<i>(2,339)</i>	<i>-</i>
<b>CASH FLOWS FROM (USED IN) FINANCING ACTIVITIES</b>	<b>(300,233)</b>	<b>(166,260)</b>
<b>NET CASH FLOWS FOR THE YEAR (A+B+C)</b>	<b>(35,844)</b>	<b>34,043</b>
<b>OPENING CASH AND CASH EQUIVALENTS</b>	<b>85,714</b>	<b>51,671</b>
NET CASH FLOWS FOR THE YEAR	(35,844)	34,043
<b>CLOSING CASH AND CASH EQUIVALENTS</b>	<b>49,870</b>	<b>85,714</b>

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

(2) The figures are presented net of the cash flows generated by the "Assets and liabilities held for sale". The cash flows generated by the "Assets and liabilities held for sale" are indicated separately for the cash flows deriving from Operating, Investing and Financing activities, respectively. The cash flows of "Continuing operations" are obtained by adding together the above items.



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

(EUR thousand)	Share capital	Reserves	Profit (loss) for the year	Equity attributable to the owners of the parent	Non-controlling interests	Equity
<b>Balance at 31/12/2023</b>	100,000	3,537,933	205,386	3,843,319	6,668	3,849,987
<b>Allocation of 2023 profit (loss)</b>	-	205,386	(205,386)	-	0	-
Share-based payments with equity-linked instruments	-	409	-	409	-	409
<b>Transactions with Shareholders:</b>						
Distribution of dividends	-	(60,000)	-	(60,000)	(5,598)	(65,598)
Capital increase	-	-	-	-	-	-
Acquisitions of companies from third parties	-	-	-	-	72,841	72,841
Other changes	-	3,801	-	3,801	(56)	3,745
2024 profit	-	-	225,930	225,930	2,629	228,559
Actuarial gains (losses)	-	94	-	94	-	94
Changes in the hedging reserve	-	1,093	-	1,093	-	1,093
Exchange gains (losses)	-	14,928	-	14,928	-	14,928
<b>Comprehensive income</b>	-	16,115	225,930	242,045	2,629	244,674
<b>Balance at 31/12/2024</b>	100,000	3,703,644	225,930	4,029,575	76,485	4,106,060
<b>Allocation of 2024 profit</b>	-	225,930	(225,930)	-	-	-
Share-based payments with equity-linked instruments	-	-	-	-	-	-
<b>Transactions with Shareholders:</b>						
Distribution of dividends	-	(70,000)	-	(70,000)	(5,987)	(75,987)
Capital increase	-	-	-	-	-	-
Acquisitions of companies from third parties	-	10,637	-	10,637	(10,637)	-
Other changes	-	(523)	-	(523)	-	(523)
Profit 2025	-	-	104,253	104,253	5,491	109,744
Actuarial gains (losses)	-	(169)	-	(169)	-	(169)
Changes in the hedging reserve	-	(23,919)	-	(23,919)	-	(23,919)
Exchange gains (losses)	-	(57,274)	-	(57,274)	-	(57,274)
<b>Comprehensive expense</b>	-	(81,362)	104,253	22,890	5,491	28,382
<b>Balance at 31/12/2025</b>	100,000	3,788,326	104,253	3,992,580	65,353	4,057,932

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



# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

## I. INTRODUCTION

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

The 2025 Consolidated Financial Statements comprise the financial statements of ERG Power Generation S.p.A. and of its subsidiaries (together, "ERG" or "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<sup>1</sup> and the United States of America.

The publication of these Consolidated Financial Statements was authorised by the Board of Directors on 10 March 2026.

### Basis of preparation

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

- in compliance with the International Financial Reporting 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;
- 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 38 – Disclosure on financial risks**.

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 Consolidated Financial Statements were audited by the independent auditors KPMG S.p.A. in accordance with the statutory audit engagement for the years from 2018 to 2026, conferred upon it pursuant to Italian Legislative Decree no. 39/2010 by the Shareholders in their meeting of 23 April 2018.

The accounting standards and measurement criteria are presented in each note to which they refer.

Changes in the application of the accounting standards, where relevant, are described in the following paragraphs.

### Basis of presentation

These Consolidated Financial Statements consist of:

- the **primary financial statements**, with the following characteristics:
  - 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 year-end; current liabilities are those expected to be extinguished within the normal operating cycle of the Group or in the 12 months after year-end;
  - the **Income Statement** includes an analysis of the items by nature, which is deemed more representative than presenting them by function. The form 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 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 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 not considered significant for these 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 Consolidated Financial Statements and disclosures relating to contingent assets and liabilities. 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.*

<sup>1</sup> Business in the process of being sold as described in more detail in section VII. Operating assets held for sale.

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>	The main assumptions for determining the recoverable amounts concern, in particular: <ul style="list-style-type: none"> <li>• the identification of expected energy prices;</li> <li>• the assessment of the availability of renewable resources;</li> <li>• the evolution of 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>• exchange rates;</li> <li>• the assessment of possible impacts of climate change.</li> </ul> For further details, please refer to <b>Note 22 – Impairment testing</b> .
<b>Definition of the useful life of authorisations and concessions, other intangible assets, property, plant and equipment and the related amortisation and depreciation</b>	Authorisations and concessions are amortised on the basis of their residual duration, which can be up to 40 years. Other intangible assets are amortised over a maximum period of 5 years. 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.
<b>Recoverability of deferred tax assets</b>	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> ).
<b>Measurement of provisions and contingent liabilities related to civil, administrative and tax proceedings</b>	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> .
<b>Determination of loss allowances and impairment of other assets</b>	Trade receivables and other 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> .
<b>Fair value measurements</b>	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 fair value assessors responsible for all significant fair value assessments in general, including Level 3. Unobservable inputs and valuation adjustments are subject 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. See also Section <b>V. Financing activities</b> .
<b>Business Combination</b>	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.
<b>Determination of the discount rate of financial liabilities and valuation of the renewal options for right-of-use assets</b>	The discount rate used is the incremental borrowing rate, determined as the sum of the Group's credit spread and the swap rates applicable to the reference country. In relation to the renewal options, the Group estimated the term of the related lease agreements taking into account the reasonable certainty that the option will be exercised. See also <b>Note 19 – Right-of-use assets</b> .

## Potential impact of recent US trade policies

Following the introduction in 2025 of new tariff measures on a range of goods, including raw materials and components relevant to the construction of renewable energy production facilities, the current US administration is considering a further extension of these measures. Although the direct impact of these tariffs on ongoing activities remains limited at present, Management highlights a potential operational risk linked to the supply chain (Procurement and Supply Chain), particularly regarding the sourcing of components for the maintenance and construction of new wind and solar farms. However, projects currently under construction in Europe are proceeding as planned, thanks to mitigation measures negotiated under the already signed Framework Agreements.

Management will continue to closely monitor developments in international trade policies, particularly those of the United States, in order to promptly assess any future impacts on development costs and investment planning, as part of its risk mitigation strategies.

For more details on the Group's approach to the above risks and the strategy for managing these risks, please refer to the **Directors' Report**.

## Climate Change Risk

Climate change risk is the possibility that climate changes in the short, medium and long term may have operational and economic-financial impacts resulting from factors such as the reduced availability of renewable resources (wind and sun), increased operational and insurance costs, and higher compliance costs. According to the latest IPCC report, global temperatures are continuing to rise and extreme events are becoming more frequent, although damage assessments remain uncertain due to the difficulty of estimating future effects and sectoral vulnerabilities. In line with the ESMA Public Statement of 24 October 2024, ERG has been conducting a quantitative analysis of the impact of climate change on wind and solar asset production since 2023. The study identified risks of reduced resources, analysing average wind speed at 100 metres and solar irradiance. The impacts, considered to be insignificant, have been reflected in the medium-term (Market Plan) and long-term (impairment test) Business Plans.

According to the Group's approach, the risks generated by climate change can mainly be attributed to the following:

- Change in renewable resources (wind and sun);
- Catastrophic events, both acute (e.g. wildfires, hurricanes, floods) and chronic (e.g. rising temperatures, sea level rise);
- Regulatory and market changes, including incentives, demand, and competitiveness.

ERG's risk management strategy focuses, in particular, on the technological and geographical diversification of energy sources, also by leveraging local synergies. The Group also uses weather forecasting tools and statistical models to mitigate the impacts of climate change.

The Group is committed to contributing to the fight against climate change by investing in zero-emission technologies, such as wind and solar, to align with the European and United Nations objectives on renewable energy.

For more details on the Group's approach to the types of risks generated by climate change and the strategy for managing these risks, please refer to the **Directors' Report**.

## 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 49 – List of Group companies and transactions of the year**.

The financial statements of subsidiaries are included in the 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 49 – List of Group companies and transactions of the year** and **Note 30 – 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 translated 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 translated into Euro using the average exchange rate for the year.

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:

	Currency	Statement of Financial Position <sup>(1)</sup>	Income Statement <sup>(2)</sup>
USA	USD – US Dollar	1.175	1.130
United Kingdom	GBP – British Pound	0.873	0.857
Poland	PLN – Zloty	4.221	4.240
Romania	RON – Romanian Leu	5.097	5.043
Bulgaria	BGN – Bulgarian LEV	1.956	1.956
Sweden	SEK – Swedish Krona	10.822	11.066

(1) Exchange rate at 31 December 2025.

(2) Average exchange rate for 2025.

### Changes in consolidation scope during the year: United Kingdom Wind

On **16 January 2025**, ERG, through its subsidiary ERG UK Holding Ltd, finalised the agreement with BayWa r.e AG, a leading operator in the renewable energy sector, for the acquisition of 100% of the shares of BayWa r.e. UK (Jubilee) Limited, a company that owns Broken Cross Wind Farm Limited, which owns a 43.2-MW onshore wind farm in South Lanarkshire, Scotland.

The wind farm, which entered into operation in the fourth quarter of 2024, consists of nine Nordex N133 turbines, each with a capacity of 4.8 MW and benefits from a 15-year Contract for Difference (CfD) awarded in the AR4 auction, in line with the Group's revenue securitisation strategy. The annual production is estimated at approximately 120 GWh, equivalent to 46 kt of CO<sub>2</sub> emissions avoided each year, equal to the energy needs of over 28,000 households.

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

(EUR thousand)	Broken Cross
Authorisations and concessions	17,730
Goodwill	3,098
Property, plant and equipment	72,364
Right-of-use assets	2,391
Financial assets measured at fair value	1,599
Deferred tax assets	5,201
<b>Non-current assets</b>	<b>102,383</b>
Trade receivables	3,038
Cash and cash equivalents <sup>(1)</sup>	(1,010)
<b>Current assets</b>	<b>2,028</b>
<b>TOTAL ASSETS</b>	<b>104,411</b>
Deferred tax liabilities	7,271
Provision for dismantling expenses	768
Other non-current provisions	678
Financial liabilities measured at fair value <sup>(1)</sup>	20,201
Non-current financial liabilities <sup>(1)</sup>	61,385
Non-current lease liabilities <sup>(1)</sup>	2,279
<b>Non-current liabilities</b>	<b>92,582</b>
Trade payables	10,127
Current financial liabilities <sup>(1)</sup>	1,591
Current lease liabilities <sup>(1)</sup>	112
<b>Current liabilities</b>	<b>11,829</b>
<b>TOTAL EQUITY AND LIABILITIES</b>	<b>104,411</b>

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

(1) 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.

For further details on business combinations, please refer to **Note 46 – Business Combinations** in Section **VIII. Other Notes**.

## II. OPERATIONAL MANAGEMENT

This section discusses the items in the 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 (loss) and the statement of financial position items relating to the operating working capital as well as other assets and liabilities.

The income statement and statement of financial position data relating to the operating assets in Sweden, which are in the process of being sold at 31 December 2025, have been presented in accordance with IFRS 5. For further details, please refer to section **VII. Assets held for sale**.

### Reporting by operating segment

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

*Operating profit (loss) is presented and commented on with reference to the various geographical segments in which the Group operates, in line with the Group's internal performance measurement methods.*

*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 geographical segment, the wind and solar results include the related hedging.*

*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, the UK, Spain and the United States of America.*

*The representation by geographical segment corresponds to the approach used by the CEO and senior management – identified as the highest operational decision-making level – to monitor performance and make decisions regarding the resources to be allocated to the sectors, and corresponds to the reporting structure available and periodically analysed for these purposes.*

*The tables below therefore provide information by geographical segment of the results indicated in the financial statements.*

*With reference to the UK & Nordics geographical area (now "UK") and the process of disposal of assets in Sweden, the results of the Swedish assets have been reclassified as "Operating assets held for sale" and, therefore, the summary income statement and statement of financial position data for these operating segments have not been included in the segment information below this paragraph. For more information, refer to **Note 45 - Profit (loss) from assets held for sale**.*

*It should be noted that in the **Directors' Report**, in order to facilitate understanding of the Group's operating performance, the operating results are also presented excluding significant income components of an unusual nature (non-recurring items, reclassifications and other items) indicated with the definition "adjusted" and including assets held for sale that made a full economic contribution in 2025.*

*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 **Directors' Report** and to **Note 47 – 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 (where applicable) and impairment losses on:*

- goodwill;
- authorisations and concessions;
- other intangible assets;
- property, plant and equipment;
- right-of-use assets.

*Operating profit (loss) is equal to the gross operating profit less amortisation, depreciation, reversals and impairment losses 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, liabilities related to Employee benefits, Other assets and Other liabilities, as better defined in the **Directors' Report**.*



## Reporting by geographical segment

### 2025

(EUR million)	TOTAL	of which						
		Italy	France	Germany	East Europe	UK	Spain	USA
Revenue	744	409	111	45	67	61	18	31
Gross operating profit	543	323	65	25	50	29	6	45
Amortisation, depreciation and impairment losses	(349)	(141)	(48)	(29)	(19)	(17)	(70)	(24)
Operating profit (loss)	194	153	17	(4)	31	41	(64)	22
Net invested capital	4,103	1,870	687	258	222	523	252	291
Capital expenditure on non-current assets	157	74	19	29	0	34	0	1

### 2024

(EUR million)	TOTAL	of which						
		Italy	France	Germany	East Europe	UK	Spain	USA
Revenue	731	418	100	55	68	48	24	18
Gross operating profit	549	339	51	34	54	24	15	32
Amortisation, depreciation and impairment losses	(281)	(147)	(48)	(22)	(19)	(15)	(12)	(18)
Operating profit	194	117	3	12	35	10	3	14
Net invested capital	4,208	1,919	731	237	239	433	304	345
Capital expenditure on non-current assets	228	138	58	9	-	22	-	1

## 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
  - Sale of electricity on the power exchange or through short-term contracts;
  - Sale of electricity through Power Purchase Agreements (PPAs);
2. Revenue for incentive tariffs (feed-in tariff, feed-in premiums, contracts for difference auctions, etc.) on electricity;
3. Revenue for green certificates (foreign companies) and guarantees of origin.

Revenue from the sale of energy on the power exchange or through short-term bilateral agreements (with a duration of less than 5 years) are recognised when the energy is fed into the grid. The item also includes transactions relating to the regulation of the balancing of the electricity grid and any other remuneration linked to the availability of the capacity of the plants.

The Group also enters into derivatives on commodities to manage the risk of volatility in the price of electricity, therefore revenue also includes the impact of derivative instruments concluded with hedging objectives on energy sales in the year. For further details, please refer to **Note 39 – Disclosure on financial risks**.

As regards revenue for the **incentive tariff**, generally 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 incentive tariff portion. The incentive tariff performance obligation is fulfilled at a point in time (when the specific conditions indicated by 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 incentive tariff corresponds to that of the revenue for the sale of electricity.

With particular reference to revenue generated through incentive 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 these Consolidated Financial Statements, 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 competent authority issues a GO certificate. In several countries where the Group operates, GO certificates are included in sales to entities that purchase electricity, for example through short- and medium- to long-term contracts.

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.

The Group regularly enters into medium/long-term supply contracts on the basis of which the counterparty purchases the production of one or more identified wind farms for a contractually predetermined period. 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 38 – Financial instruments** for more information.



Below is a summary, by country, of the PPAs finalised by 31 December 2025:

COUNTRY	START DATE/DURATION	COUNTERPARTY	VOLUME/YEAR	TYPE	PRICE	PLANTS/CAPACITY	ACCOUNTING
ITALY	January 2022 / 10 years	TIM	≈340 GWh Baseload / Pay as produced	PHYSICAL	COLLAR	WIND ITALY Portfolio / 	IFRS 15
ITALY	January 2023 / 9 years	TIM	≈200 GWh Baseload	PHYSICAL	COLLAR	WIND ITALY Portfolio / 	IFRS 15
ITALY	January 2023 - April 2024 / 12 years	ESSILOR LUXOTTICA	≈70 GWh Baseload	PHYSICAL (from Apr 2024)	FIXED	Partinico / Monreale 	IFRS 15
ITALY	January 2024 / 15 years	ST MICROELECTRONICS	≈250 GWh Baseload	PHYSICAL	FIXED	Camporeale / Mineo-Militello-Vizzini 	IFRS 15
ITALY	June 2024 / 20 years	GOOGLE	≈100 GWh Pay as produced	FINANCIAL	FIXED	Roccapalumba 	IFRS 9
ITALY	January 2025 / 5 years	DUFERCO	≈100 GWh Pay as produced	PHYSICAL	COLLAR	Rotello 	IFRS 15
ITALY	January 2025 / 5 years	ENI PLENITUDE	≈64 GWh Pay as produced	PHYSICAL	FIXED	San Ciro 	IFRS 15
ITALY	January 2025 / 5 years	ENGIE	≈44 GWh Baseload	PHYSICAL	FIXED	WIND ITALY Portfolio 	IFRS 15
ITALY	January 2027 / 15 years	A2A	≈182 GWh Baseload / Pay as produced	PHYSICAL	FIXED	Salemi Castelvetrano 	IFRS 15
ITALY	August 2025 / 5 - 10 years	RFI	≈185 GWh Pay as produced	PHYSICAL	FIXED	WIND ITALY Portfolio 	IFRS 15
FRANCE	May – September 2021 / 5 years	ENGIE	≈45 GWh Pay as produced	PHYSICAL	FIXED	Bois Bigot / Bois de l'Arche 	IFRS 15
FRANCE	October – December 2021 / 5 years	ENGIE	≈100 GWh Pay as produced	PHYSICAL	FIXED	Theta Portfolio 	IFRS 15
FRANCE	January 2025 / 15 years	LES MOSQUETAIRES	≈35 GWh Pay as produced	PHYSICAL	FIXED	Chaume Solar 	IFRS 15
UK	January 2022 / 6 years	ELECTROROUTE	≈240 GWh Pay as produced	PHYSICAL	FIXED	Evishagaran / Craggoire 	IFRS 15
UK	January 2023-2024 / 10 years	ENGIE UK	≈400 GWh Baseload	PHYSICAL	FIXED	Sandy Knowe / Creagh Riabhach 	IFRS 15
UK	July 2026 / 15 years	AMAZON	≈176 GWh Baseload	FINANCIAL	FIXED	Corlacky 	IFRS 9
SPAIN	1st quarter 2024 / 12 years	GOOGLE	≈193 GWh Pay as produced	FINANCIAL	FLOOR	Garnacha 	IFRS 9
USA	January 2023 / 12 years	BP	≈133 GWh Fixed Shape	FINANCIAL	FIXED	Mulligan Solar 	IFRS 9
USA	April 2023 / 12 years	META	≈831 GWh Pay as produced	FINANCIAL	FIXED	Great Pathfinder 	IFRS 9

It should also be noted that in 2025, Furukraft AB, a wholly-owned subsidiary of the Group that was sold in January 2026, signed a 10-year PPA with Skellefteå Kraft AB, a Swedish municipal energy company. The agreement, valid from 1 January 2026, provides for the pay-as-produced supply of approximately 150 GWh per year, for a total of 1.5 TWh, of renewable energy produced by the Furuby wind farm.

## 2025

(EUR thousand)	Italy	France	Germany	East Europe	UK	Spain	USA	Total
<b>Revenue from sales</b>								
Energy to the market	174,016	29,449	38,038	61,947	12,296	11,511	3,751	331,008
Incentive tariff and certificates	127,909	69,874	6,781	5,095	670	-	1,335	211,664
Power Purchase Agreements	106,636	11,441	-	-	48,213	6,765	26,165	199,219
<b>Total Revenue from sales</b>	<b>408,561</b>	<b>110,764</b>	<b>44,819</b>	<b>67,041</b>	<b>61,179</b>	<b>18,275</b>	<b>31,251</b>	<b>741,890</b>
<b>Revenue from the provision of services</b>								
Services and other	586	521	210	-	503	-	-	1,821
<b>Total Revenue from services</b>	<b>586</b>	<b>521</b>	<b>210</b>	<b>-</b>	<b>503</b>	<b>-</b>	<b>-</b>	<b>1,821</b>
<b>Total Revenue</b>	<b>409,147</b>	<b>111,285</b>	<b>45,030</b>	<b>67,041</b>	<b>61,682</b>	<b>18,275</b>	<b>31,251</b>	<b>743,712</b>
<i>of which Wind</i>	303,475	99,030	45,030	67,041	61,682	-	22,265	598,523
<i>of which Solar</i>	105,672	12,255	-	-	-	18,275	8,986	145,188

## 2024

(EUR thousand)	Italy	France	Germany	East Europe	UK	Spain	USA	Total
<b>Revenue from sales</b>								
Energy to the market	203,297	28,350	39,503	59,629	7,773	17,891	1,455	357,898
Incentive tariff and certificates	122,908	62,251	13,251	7,810	788	-	1,129	208,137
Power Purchase Agreements	87,493	9,459	-	-	39,358	6,394	15,271	157,975
<b>Total Revenue from sales</b>	<b>413,698</b>	<b>100,060</b>	<b>52,754</b>	<b>67,439</b>	<b>47,918</b>	<b>24,285</b>	<b>17,855</b>	<b>724,009</b>
<b>Revenue from the provision of services</b>								
Services and other	4,254	183	2,396	140	183	41	-	7,196
<b>Total Revenue from services</b>	<b>4,254</b>	<b>183</b>	<b>2,396</b>	<b>140</b>	<b>183</b>	<b>41</b>	<b>-</b>	<b>7,196</b>
<b>Total Revenue</b>	<b>417,952</b>	<b>100,243</b>	<b>55,150</b>	<b>67,578</b>	<b>48,101</b>	<b>24,326</b>	<b>17,855</b>	<b>731,206</b>
<i>of which Wind</i>	319,875	90,012	55,150	67,578	48,101	-	12,201	592,917
<i>of which Solar</i>	98,077	10,231	-	-	-	24,326	5,654	138,289

Revenue is up compared to 2024, mainly thanks to the contribution of new capacity in operation, which compensates for lower wind speeds.

For further details regarding the prices and quantities sold, please refer to the comments in the [Directors' Report](#).

Revenue from the sale of 'Energy to the market' includes the net positive impact of EUR 9 million (positive EUR 8 million in 2024) from commodity hedging derivative instruments. Please refer to [Note 39 – Disclosure on financial risks](#) for further details.

The item "Power Purchase Agreements" also includes the reversal of the current portion of EUR 10 million (EUR 2 million in 2024) of the fair value of VPPAs and other fixed-price contracts recognised as part of business combinations.

The timeframe for the collection of receivables related to revenue depends on the type of revenue. Amounts due for energy sold to the market have an average realisation time of less than three months in all countries where the Group operates.

## NOTE 2 - OTHER INCOME

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

The proceeds from the US Production Tax Credit (US PTC) relate to the existing Tax Equity Partnership (TEP) agreements within the company's US wind energy business. These represent a form of non-cash incentive recognised over time, as further detailed in the section **Basis of consolidation and changes in consolidation scope**. PTCs are one of the non-cash elements impacting the fair value of the outstanding liability with the Partner. Specifically, the allocation of PTCs is linked to the energy generated during the relevant period. Accrued PTCs are recognised under Other Income.

Other income mainly comprises insurance reimbursements, indemnities and expense recoveries, minor chargebacks to third parties and operating grants.

(EUR thousand)	2025	2024
Income from PTC USA	24,569	18,537
Release of excess cost allocations	10,751	16,836
Indemnities	9,122	11,172
Other income	554	1,131
Reimbursement of expenses	2,856	4,588
<b>Total</b>	<b>47,851</b>	<b>52,264</b>

This item mainly includes income from PTCs under the US partnership for EUR 25 million (EUR 19 million in 2024, starting on 1 April), contractual indemnities and guarantees received from suppliers for EUR 9 million, releases of provisions for tax and legal risks recorded in connection with certain acquisitions made in previous years for EUR 4 million, as well as the release of provisions relating to potential charges in East Europe (EUR 4 million), for which the requirements that originally led to their recognition no longer exist.

## NOTE 3 - PURCHASES

This item, amounting to EUR 8,538 thousand (EUR 9,714 thousand in 2024), 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. The item is shown net of the change in inventories of EUR 1,801 thousand (EUR 3,061 thousand in 2024). The item also includes the impact of the consumption of significant spare parts of the wind farms that have been reclassified to Property, plant and equipment for EUR 4,933 thousand (EUR 4,233 thousand in 2024).

## NOTE 4 - SERVICES AND OTHER COSTS

(EUR thousand)	2025	2024
Services	176,127	168,058
Taxes and duties	14,821	16,263
Rental, lease and hire expenses	3,233	2,291
Provision for risks and charges	2,234	2,231
Loss allowance	4,782	185
Other operating costs	5,818	4,161
<b>Total</b>	<b>207,015</b>	<b>193,190</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)	2025	2024
Maintenance and repairs	67,404	58,022
Costs for services from parent companies	39,655	37,167
General and Information Technology (IT) services	23,852	25,320
Royalties and land rights	11,905	12,665
Consultancy	11,005	10,960
Utilities and consumption	7,105	8,830
Insurance	6,894	7,951
Costs for electricity transport	7,356	5,720
Commercial, distribution and transport costs	816	1,151
Advertising and promotions	136	271
<b>Total</b>	<b>176,127</b>	<b>168,058</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 year, 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.
- **Consultancy** includes mainly expenses for legal, technical and professional consultancy as well as expenses incurred for non-recurring transactions. The decrease is due to significantly lower charges on non-recurring transactions compared to the comparative year.

**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. For further details, please refer to **Note 5 – Personnel expense**.

## NOTE 5 - PERSONNEL EXPENSE

(EUR thousand)	2025	2024
Wages and salaries	23,637	23,290
Social security contributions	7,159	6,287
Post-employment benefits	975	815
Other personnel expense	1,347	1,482
<b>Total</b>	<b>33,117</b>	<b>31,873</b>

At 31 December 2025, the total number of employees was 445 (434 in 2024).

## Working capital and other assets and liabilities

(EUR thousand)	Notes	31/12/2025	31/12/2024
Trade receivables	6	136,608	135,630
Inventories	7	24,985	23,435
Trade payables	8	(116,002)	(114,528)
<b>Operating working capital</b>		<b>45,592</b>	<b>44,537</b>
Other current assets	9	124,107	99,159
Other non-current assets	10	49,512	49,325
Other current liabilities	11	(72,025)	(50,112)
US Tax Partner Liability	12	(119,785)	(162,510)
Other non-current liabilities	13	(82,621)	(61,086)
Assets for fair value derivatives hedging commodities	31	6,652	31,416
Liabilities for fair value derivatives hedging commodities	35	(377)	(125,626)
Employee benefits	14	(2,099)	(1,984)
<b>Other assets (liabilities)</b>		<b>(96,635)</b>	<b>(221,419)</b>

## NOTE 6 - TRADE RECEIVABLES

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

Initial recognition takes place at fair value, subsequently they are measured using the amortised cost criterion.

Trade 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.

For customers, the Group individually assesses the time frame and amount of the credit loss on the actual expectation of recovery.

(EUR thousand)	31/12/2025	31/12/2024
Receivables from customers	83,515	93,405
Receivables for incentives	53,638	43,936
Receivables from Group companies not consolidated on a line-by-line basis	70	2,018
Loss allowance	(615)	(3,730)
<b>Total</b>	<b>136,608</b>	<b>135,630</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).

For information concerning receivables from non-consolidated Group companies, reference is made to [Note 45 – Related parties](#).

The loss allowance changed as follows:

(EUR thousand)	31/12/2025	Increases	Decreases	31/12/2024
Loss allowance	615	(3,359)	244	3,730
<b>Total</b>	<b>615</b>	<b>(3,359)</b>	<b>244</b>	<b>3,730</b>

The decrease is due to the use of the loss allowance against the derecognition of the amount that was definitively deemed uncollectible.

The Group assesses the existence of objective evidence of impairment on an individual basis. The impairment tests are checked at individual company level by the Credit Committee, which meets periodically to analyse the situation of past due trade receivables and any critical issues related to their collection.

The analysis of the trade receivables existing at year end follows.

The ageing brackets are presented net of the related loss allowance.

(EUR thousand)	31/12/2025	31/12/2024
<b>Receivables not past due</b>	<b>125,732</b>	<b>124,754</b>
<b>Receivables past due:</b>		
within 30 days	5,448	5,448
within 60 days	1,571	1,571
within 90 days	655	655
after 90 days	3,202	3,202
<b>Total</b>	<b>136,608</b>	<b>135,630</b>

## NOTE 7 - INVENTORIES

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

#### Spare parts

Inventories are recognised at cost, determined using the weighted average cost method, or market value (replacement cost), whichever is lower. The cost includes direct materials and, where applicable, direct labour costs and overheads that have been incurred to bring the inventories to their current position and condition.

The cost is calculated using the weighted average cost method. For the net realisable value, the replacement cost is normally taken as reference or, where available, the net realisable value of the assets.

**Inventories**, amounting to EUR 24,985 thousand (EUR 23,435 thousand at 31 December 2025), mainly include spare parts for wind farms and photovoltaic systems in Italy, France and Germany.

## NOTE 8 - TRADE PAYABLES

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

These are liabilities deriving from commercial transactions and are payable within the next year.

These refer mainly to payables for investments, purchases of components and electricity.

Initial recognition takes place at fair value, subsequently they are measured using the amortised cost criterion.

The Group proceeds with the derecognition when the obligation has been fulfilled, cancelled or expired; for further details, see the comments on financial assets and liabilities in Section **V. Financing activities** in the **Net Financial Indebtedness** section.

**Trade payables**, amounting to EUR 116 million (EUR 115 million at 31 December 2024), mainly include payables for maintenance and other services from third parties for plants in operation (approximately EUR 55 million), for capital expenditure related to wind farms under construction (approximately EUR 8 million) and for purchases of electricity for production optimisation activities (EUR 7 million).

## NOTE 9 - OTHER CURRENT ASSETS

(EUR thousand)	31/12/2025	31/12/2024
VAT receivables	50,235	19,134
Tax assets	1,423	1,744
Receivables from Group companies	6,511	12,396
Portions of deferred charges	46,167	42,430
Other assets	19,771	23,454
<b>Total</b>	<b>124,107</b>	<b>99,158</b>

The **Portions of deferred charges** refer mainly to lease payments to municipalities, surface rights and insurance premiums for approximately EUR 11 million and to deferred charges relating to development projects for approximately EUR 16 million.

**Tax assets** relate to tax-related assets such as VAT and other taxes. The increase is mainly attributable to higher VAT assets compared to 2024, which was influenced by partial early collections (for EUR 8 million) as a result of sales to banking institutions.

The item does not include assets relating to direct taxes, for which reference is made to **Note 41 – Current tax assets and liabilities**.

## NOTE 10 - OTHER NON-CURRENT ASSETS

**Other non-current assets**, equal to EUR 49,325 thousand (EUR 44,844 thousand at 31 December 2024) relate mainly to:

- the portion still to be collected (EUR 19 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 13 – Other non-current liabilities**);
- receivables of EUR 25 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 25 – Other non-current financial assets**;

## NOTE 11 - OTHER LIABILITIES

(EUR thousand)	31/12/2025	31/12/2024
Payables to Group companies not consolidated on a line-by-line basis	21,467	23,565
Portions of income deferred to subsequent years	10,142	17,680
Payables to employees	3,114	2,996
Pension and social security institutions	2,582	2,120
Current portion of fair value recognised as part of business combinations	1,768	1,844
Tax liabilities	1,230	1,365
Other current liabilities	31,722	543
<b>Total</b>	<b>72,025</b>	<b>50,112</b>

**Tax liabilities** include tax payables such as VAT liabilities and other tax liabilities. The item does not include liabilities relating to direct taxes, for which reference is made to **Note 42 – Current tax assets and liabilities**.

The difference in the item "Other current liabilities" is attributable to lower VAT liabilities allocated in 2024 in compensation from a supplier who in 2024 had reached a settlement with the Italian Revenue Agency, which were paid during the 2025 financial year (for EUR 5.4 million).

## NOTE 12 - US TAX PARTNER LIABILITY

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

The liability towards the US Tax Equity Partner relates to the agreements (Tax Equity Partnership, TEP) in place within the wind and solar business entities in the US scope. The liability recognised mainly regards the wind energy company as a form of incentive spread over time. 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, even if residual, to make cash distributions).

The TEP structure is mainly linked to several elements recorded primarily in the income statement for the financial year, which have an impact on the fair value of the related TEP Liability.

Upon initial recognition and subsequent recognitions, the TEP Liability shall therefore be equal to the net present value of the future tax benefits to be transferred, 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 US Tax Partner Liability. The item has no impact on the Net Financial Indebtedness.
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 US Tax Partner 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 US Tax Partner Liability. As a balancing entry, the US Tax Partner 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 US Tax Partner Liability.
Other distributions	The contract also provides for cash distributions to the Partner, to an insignificant extent. At the time of payment, the US Tax Partner Liability is reduced by this amount.

The **US Tax Partner Liability** refers to liabilities arising as part of the Tax Equity Partnership agreement structures of the Pinnacle business combination. In particular, the item includes liabilities to the Tax Equity Partner of the Great Pathfinder Wind, LLC wind project and the Mulligan Solar, LLC solar project.

Below is an illustration of the change in the liability towards the Tax Equity Partner compared to 31 December 2024.

(EUR thousand)	Notes	TEP liability
<b>BALANCE AT 31/12/2024</b>		<b>162,510</b>
Decrease for Production Tax Credit transferred	2	(24,569)
Decrease for tax losses transferred	41	(10,763)
Increase for financial expense	37	8,263
Increase for "pay-go" allocations		3,263
Decrease for other cash distributions to the Partner		(2,329)
Net Exchange (losses)		(16,589)
<b>BALANCE AT 31/12/2025</b>		<b>119,785</b>

## NOTE 13 - OTHER NON-CURRENT LIABILITIES

(EUR thousand)	31/12/2025	31/12/2024
Liabilities for prior year taxes from merger of foreign companies	18,594	18,594
Fair value recognised as part of business combinations	31,391	16,805
Price of Wind Group acquisition	9,821	9,821
Portions of income deferred to subsequent years	21,101	13,871
Other minor items	1,714	1,995
<b>Total</b>	<b>82,621</b>	<b>61,086</b>

The change in the item Fair value recognised as part of business combinations refers to the measurement of fixed-price contracts acquired as part of the Broken Cross business combination.

**Portions of income deferred to subsequent years** includes, among other items, deferred income of EUR 13.2 million and EUR 10.5 million, respectively, equal to the positive fair value component estimated during the initial calibration of the VPPA valuation models signed for the

Roccapalumba wind farm in Italy and for the Corlacky wind farm completed in 2025 in Northern Ireland, due to the need to align the fair value at the time of signing to a starting value of zero. The residual components of the fair value of these instruments are recognised under Financial assets measured at fair value and Financial liabilities measured at fair value, for which reference should be made to **Note 32 – Financial assets measured at fair value** and **Note 36 – Financial liabilities measured at fair value**.

## NOTE 14 - EMPLOYEE BENEFITS

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

Employee benefits include the estimated liability relating to the benefits payable to employees when they terminate their employment.

#### Short-term benefits for employees

Short-term benefits for employees are recognised as a cost at the time at which the service that gives rise to such benefits is performed. The Group recognises a liability for the amount expected to be paid when there is a present, legal or constructive obligation to make these payments as a consequence of past events and it is possible to make a reliable estimate of the obligation.

#### Post-employment benefits

These are provided through:

- defined contribution plans: contributions paid to independent institutions that deal with their administrative and financial

management are recognised as a cost in profit/(loss) over the period in which the employees work;

- defined benefit plans: the sum of future obligations under these plans is based on actuarial assumptions using the projected unit credit method. The calculation is performed by an independent actuary. This calculation is based on assumptions relating to mortality, staff turnover and estimated future salary increases, as well as the specific economic conditions of each country or Group company. The discount rates are determined, at the measurement date, with reference to the yield of investment grade corporate bonds in the relevant geographical segment (or of government bonds in countries where there is no representative market for these corporate bonds).

Below is a schematic representation of the cases pertaining to the classification of post-employment benefits for IAS 19 purposes based on the main types of post-employment benefits in the light of the introduction of Italian Law no. 296 of 27 December 2006.

Types of Post-employment benefits	Personnel employed in 2006 <sup>(1)</sup>	IAS 19 classification
Post-employment benefits vested up to 31 December 2006 <sup>(2)</sup>	> 50 employees	Defined benefit plan
	< 50 employees	Defined benefit plan
Post-employment benefits vested since 1 January 2007 <sup>(2)</sup>	> 50 employees	Defined contribution plan
	< 50 employees	Defined benefit plan

(1) For newly incorporated companies, the number taken as a reference relates to the first year of business.

(2) Without prejudice to the options to allocate the post-employment benefits to supplementary pension plans.

#### Termination benefits

The termination benefits are recognised as a cost when the Group has committed without possibility of withdrawal to offer said benefits or, if prior, when the Group recognises the restructuring costs. Benefits entirely due beyond twelve months from the reporting date are discounted.

(EUR thousand)	31/12/2025	31/12/2024
<b>Opening balance</b>	<b>1,984</b>	<b>2,333</b>
Revaluation	(65)	(80)
Decreases in the year	179	(269)
<b>Closing balance</b>	<b>2,099</b>	<b>1,984</b>

The main assumptions used in determining the actuarial value of the liability are shown below:

	2025	2024
Discount rate <sup>(1)</sup>	4.0%	3.4%
Inflation rate	2.0%	2.0%
Average turnover rate	3.0%	3.0%
Average rate of salary increase	1.5%	1.5%
Average age	43	42

(1) Listing at 31 December 2025 of the iBoxx Corporate EUR benchmark index with a duration of 10+ and AA rating.

### III. INVESTING ACTIVITIES

#### NOTE 15 - AUTHORISATIONS AND CONCESSIONS

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

Authorisations and concessions include concessions, authorisations and rights to operate wind and solar plants, including any rights to feed-in tariffs, amortised based on their residual useful life. These intangible assets are recognised at purchase cost, inclusive of all related charges

net of amortisation and any impairment losses as indicated in **Note 22 – Impairment Test**.

(EUR thousand)	Authorisations and concessions	Classified as assets held for sale Sweden
Historical cost	1,611,083	
Amortisation	(523,237)	
<b>Balance at 31/12/2024</b>	<b>1,087,846</b>	
<b>Assets held for sale</b>	<b>(29,311)</b>	<b>29,311</b>
<b>Changes for the year:</b>		
Change in the consolidation scope	17,730	
Amortisation	(75,146)	(1,020)
Impairment losses	(46,503)	(25,865)
Other changes	(18,327)	
Historical cost	1,572,774	31,607
Amortisation	(636,485)	(29,181)
<b>Balance at 31/12/2025</b>	<b>936,289</b>	<b>2,426</b>

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

The amounts reclassified to **Assets held for sale** refer to the authorisations and concessions recorded in the purchase price allocation in ERG Sweden Holding AB, as indicated in **Note 44 - Assets and liabilities held for sale**. Note that the reclassified amount refers to the initial balance. It should also be noted that the changes in the year include the impairment loss recorded in application of the international accounting standard IFRS 5.

The change in the scope of consolidation refers to the increase resulting from the Broken Cross business combination, which took place during the first half of 2025. For further details, please refer to **Note 46 – Business combinations**.

**Impairment losses** include adjustments to the net residual value of intangible assets relating to existing wind farms for which repowering and revamping projects have been launched in Italy and Germany following the granting of the relevant authorisations during the current financial year, as well as adjustments recorded following the impairment test procedure in Spain, for which reference should be made to **Note 22 – Impairment Test for further details**.

The **Other changes** include in particular the change in the exchange rates effect during the year with reference to the carrying amounts of the United States scope.

## NOTE 16 - OTHER INTANGIBLE ASSETS

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

Other intangible assets refer mainly to software licences. Intangible assets are recognised at purchase cost, including all related ancillary charges. Other intangible assets are amortised over a maximum period of 5 years.

(EUR thousand)	Other intangible assets	Assets under development	Total
Historical cost	27,907	5,429	33,336
Amortisation	(17,486)	-	(17,486)
<b>Balance at 31/12/2024</b>	<b>10,421</b>	<b>5,429</b>	<b>15,850</b>
<b>Changes for the year:</b>			
Change in the consolidation scope	-	-	-
Capital expenditure	1,187	2,066	3,252
Reclassifications	(1,274)	(1,740)	(3,014)
Disposals and divestments	(9)	(70)	(79)
Amortisation	(2,678)	-	(2,678)
Impairment losses	-	(931)	(931)
Other changes	(407)	(365)	(772)
Historical cost	26,963	4,388	31,351
Amortisation	(19,723)	-	(19,723)
<b>Balance at 31/12/2025</b>	<b>7,240</b>	<b>4,388</b>	<b>11,628</b>

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

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

## NOTE 17 - GOODWILL

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

Goodwill acquired in a business combination is not amortised, but is subjected to impairment tests pursuant to the procedures provided for in IAS 36 – Impairment of Assets every year, or more frequently if specific events or changes in circumstances indicate the possibility that there may have been any impairment (“trigger events”). For more information, see the comments in **Note 22 - Impairment Test**.

The graph below shows the changes in the item “Goodwill” during the year:

(EUR thousand)	Italy	France	Germany	Spain	USA	UK	Total
<b>Balance at 31/12/2024</b>	<b>279,701</b>	<b>98,108</b>	<b>32,391</b>	<b>8,668</b>	<b>35,122</b>	<b>-</b>	<b>453,991</b>
<b>Changes for the year:</b>							
“Broken Cross” Business Combination	-	-	-	-	-	3,098	3,098
Impairment losses	(1,608)	-	-	(8,668)	-	-	(10,276)
Other changes	-	-	-	-	(4,780)	(142)	(4,922)
<b>Balance at 31/12/2025</b>	<b>278,093</b>	<b>98,108</b>	<b>32,391</b>	<b>-</b>	<b>30,342</b>	<b>2,956</b>	<b>441,891</b>
of which Wind	194,014	82,641	32,391	-	30,342	2,956	342,344
of which Solar	84,079	15,467	-	-	-	-	99,546

At 31 December 2025, this item amounted to EUR 442 million (EUR 454 million at 31 December 2024).

Impairment losses include, as regards Italy, adjustments to the carrying amount of Goodwill relating to solar assets following the formalisation of Revamping projects and, for Spain, adjustments recorded following the Impairment Test procedure. Please see **Note 21 – Amortisation, depreciation and impairment losses** and **Note 22 – Impairment Test** for further details.

## NOTE 18 - PROPERTY, PLANT AND EQUIPMENT

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

#### Property, plant and equipment

These are recognised at purchase cost, inclusive of capitalised financial expense, net of accumulated depreciation and any impairment losses. They are depreciated on a straight-line basis over the estimated useful life.

The assets cost, in presence of current obligations, includes charges for dismantling, assets removal and site restoration to be incurred at the time facilities are abandoned, which are presented as a balancing entry in a specific provision. Financial expenses directly attributable to the acquisition or construction of an asset that justifies capitalisation is included in the cost of the asset itself, in accordance with IAS 23.

The significant spare components consumed by the wind farms and the related accessory costs connected to the replacement activity (mainly lifting and transport, civil works, technical services) are also capitalised as they bring future economic benefits and increase in value of the wind farm. These spare parts are depreciated according to the best estimate between the residual useful life of the wind farm and the technical useful life of the component. The carrying amount of the replaced components is eliminated in accordance with the general rules of 'derecognition', regardless of whether the component has been depreciated separately. More specifically, for the replacement cost, the cost of the replaced part was used as an indication at the time it was purchased, in accordance with IAS 16.70.

#### Main assumptions – useful life and depreciation

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 the useful life of property, plant and equipment 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).

Freely transferable assets are depreciated over the estimated life of the asset or the concession term, whichever is shorter.

The average depreciation rates applied are as follows:

	%
Wind-power generators	3.33 - 5
Photovoltaic modules	3.33 - 5
Industrial and commercial buildings	2.75 - 5.5
Automation and control systems	10
Lightweight constructions	10
General plant	5 - 10
Motor vehicles, furniture and furnishings	10 - 16
Surface rights and other civil works	3.5
Other miscellaneous goods/equipment	14 - 16

(EUR thousand)	Land and buildings	Plant and equipment	Other assets	Assets under construction	Total	Classified as assets held for sale Sweden
Historical cost	102,612	5,351,067	26,216	137,183	<b>5,617,078</b>	
Amortisation, depreciation and impairment losses	(41,884)	(2,580,166)	(17,841)	-	<b>(2,639,891)</b>	
<b>Balance at 31/12/2024</b>	<b>60,724</b>	<b>2,781,498</b>	<b>8,375</b>	<b>137,183</b>	<b>2,987,780</b>	
Assets held for sale	(3,849)	(62,896)	-	-	<b>(66,745)</b>	<b>66,745</b>
<b>Changes for the year:</b>						
Change in the consolidation scope	-	72,364	-	-	72,364	-
Capital expenditure	2,897	91,964	2,748	58,436	156,046	<b>48</b>
Capitalisations and reclassifications from/to property, plant and equipment	722	82,874	366	(80,948)	3,014	-
Disposals and divestments	-	(5,768)	-	-	(5,768)	-
Depreciation	(3,535)	(186,452)	(1,844)	-	(191,831)	<b>(2,343)</b>
Impairment losses	-	(10,758)	-	-	(10,758)	-
Other changes	1,376	(53,979)	49	(11,625)	(64,180)	<b>3,809</b>
Historical cost	104,486	5,440,376	28,971	<b>103,046</b>	<b>5,676,878</b>	
Amortisation, depreciation and impairment losses	(46,151)	(2,731,530)	(19,276)	-	(2,796,957)	
<b>Balance at 31/12/2025</b>	<b>58,331</b>	<b>2,722,902</b>	<b>9,695</b>	<b>103,046</b>	<b>2,893,974</b>	

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

The amounts reclassified to **Assets held for sale** refer to the property, plant and equipment of Furukraft AB as indicated in **Note 44 - Assets and liabilities held for sale**. Note that the reclassified amount refers to the opening balance.

**Change in the consolidation scope** refers mainly to the aforementioned business combination that took place during the year. For a more detailed analysis, reference should be made to **Note 46 – Business combinations**.

**Capital expenditure** mainly refers to organic development of approximately EUR 157 million, related to the construction of wind farms, particularly in the United Kingdom, France and Germany, as well as the development of wind repowering, solar revamping and storage projects in Italy.

The item **Reclassifications** mainly refer to transfers into operation of the wind farms that became operational in 2025 in the United Kingdom, France and Italy.

The item **Other changes** mainly relates to a net exchange loss of approximately EUR 70 million recorded during the year, and to an increase of around EUR 4 million due to the capitalisation of financial expenses relating to the organic development of wind farms under construction.

With regard to the existence of restrictions on the assets held by the Group, please refer to **Note 34 – Current and non-current financial liabilities**.

## NOTE 19 - RIGHT-OF-USE ASSETS

### Informazioni rilevanti sui principi contabili adottati e criteri di rilevazione e misurazione

#### Leases

The Group's leases, as per the IFRS 16 definition, relate to land, warehouses, properties, equipment, substations and vehicle fleet. Leased assets are recorded in the Consolidated Financial Statements with the recognition of an asset representing the right to use the underlying asset and a liability representing the obligation to make lease payments.

Financial liabilities are discounted using the interest rate implicit in the lease. If that rate cannot be readily determined, the Group uses the incremental borrowing rate (determined as the sum of the Group's credit spread and the forward curve based on Euro area swap rates).

#### Main assumptions – lease evaluation

The Group uses subjective assessments to determine whether a contract contains a lease. The Group analysed all the lease contracts, defining the lease term for each of them, the "non-cancellable" period.

The Group's leases have an average term of 26 years, with the inclusion for some leases of a renewable option exercisable at the end of the binding period.

Others provide for additional payments tied to the change of the local price indices.

In relation to the renewal options, the Group estimated the term of the related lease agreements taking into account the reasonable certainty that the option will be exercised.

Specifically, for land and buildings, this assessment considered the specific facts and circumstances of each asset. With regard to the other categories of assets, mainly corporate cars and equipment, the Group generally deemed improbable that extension or early termination clauses would be exercised in consideration of the practice usually followed by the Group.

The change in the right-of-use assets over the year is shown in the following graph.

(EUR thousand)	Land and buildings	Specific plant	Equipment	Other assets	Total	Classified as
						assets held for sale
						Sweden
Historical cost	256.048	1.086	198	5.882	<b>263.213</b>	
Amortisation, depreciation and impairment losses	(41.632)	(244)	(101)	(4.991)	<b>(46.967)</b>	
<b>BALANCE AT 31/12/2024</b>	<b>214.416</b>	<b>841</b>	<b>97</b>	<b>892</b>	<b>216.246</b>	
<b>Assets held for sale</b>	<b>(3.340)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(3.340)</b>	<b>3.340</b>
Increase in right-of-use assets	15.541	-	-	1.221	16.762	
Increase in right-of-use assets due to business combinations	2.391	-	-	-	2.391	
Derecognition of right-of-use assets	-	-	-	(128)	(128)	
Depreciation for the year	(10.439)	(35)	(50)	(1.234)	(11.758)	(101)
Reversals of impairment losses/ (Impairment losses)	(12.270)	-	-	-	(12.270)	
Net exchange losses	(3.940)	-	-	-	(3.940)	
Historical cost	256.040	1.086	198	5.484	<b>262.807</b>	<b>3.542</b>
Amortisation, depreciation and impairment losses	(53.680)	(279)	(152)	(4.733)	<b>(58.846)</b>	<b>(303)</b>
<b>BALANCE AT 31/12/2025</b>	<b>202.360</b>	<b>807</b>	<b>46</b>	<b>750</b>	<b>203.962</b>	<b>3.239</b>

The increase in the item **Land and buildings** is mainly attributable to the recognition of the right to use the land on which the wind farms built internally are located, including those subject to repowering in Italy, the United Kingdom, France and Germany, as well as the land on which the wind farm acquired during the year is located. For further details on business combinations, please refer to **Note 46 – Business Combinations** in **Section VIII. Other Notes**.

The amounts reclassified to **Assets held for sale** refer to the rights of use on the land owned by Furukraft AB, as indicated in **Note 44 - Assets**

**and liabilities held for sale.** Note that the reclassified amount refers to the initial balance.

**Impairment losses** include the adjustments recorded following the Impairment Test procedure in Spain, for which reference is made to **Note 22 - Impairment Test** for further details.

The item **Other changes** includes changes in the value of land in the United States and the United Kingdom due to exchange rate fluctuations during the year.

## NOTE 20 - PROVISIONS FOR DISMANTLING EXPENSES

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

The Group is required to dismantle the technical equipment and restore the sites. When the obligation arises, the costs of dismantling are capitalised to increase the carrying amount of the asset to which they refer as a balancing entry to the related provision for dismantling. Capitalised costs are allocated to the income statement via depreciation.

The discount rates used for the financial revaluation of the costs of restoring wind and solar farms, depending on the country of reference, are within the range of 2.8%-6.9%.

(EUR million)	31/12/2025	Increases	Decreases	Change in the consolidation scope	31/12/2024
Provision for dismantling expenses	91,968	8,672	(6,392)	(943)	90,630
<b>Total</b>	<b>91,968</b>	<b>8,672</b>	<b>(6,392)</b>	<b>(943)</b>	<b>90,630</b>

The change for the year is mainly related to new provisions recorded for construction activities, uses related to revamping and repowering activities, and adjustments applied to reflect the best available information, particularly regarding changes in discount rates. The **Change in the consolidation scope** refers to the aforementioned acquisition that took place during the year.

## NOTE 21 - AMORTISATION, DEPRECIATION AND IMPAIRMENT LOSSES

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

Authorisations and concessions are amortised on the basis of their residual duration. Other intangible assets are amortised over a maximum period of 5 years. Property, plant and equipment are depreciated on a straight-line basis over their estimated useful life.

### Write-downs following the start of Repowering projects

The ERG Group proceeds with the write-down of the plants when the final decision to proceed with the project is made, with formalisation by management, which expresses its approval following the occurrence of the following conditions: a) expiry of the deadline for any third-party challenges related to the Single Authorisation obtained (in cases of repowering) and b) definition of the destination of the energy that will be produced by the parks in question (usually through PPAs or auctions).

(EUR thousand)	2025	2024
Amortisation and impairment losses – Rights and Concessions	73,016	70,218
Amortisation and impairment losses – Other intangible assets	2,678	2,388
<b>Total Amortisation and impairment losses of intangible assets</b>	<b>75,693</b>	<b>72,607</b>
Depreciation and Impairment losses – Property, Plant and Equipment	180,073	175,074
Depreciation of right-of-use assets	11,758	11,198
<b>Total Depreciation and impairment losses of property, plant and equipment</b>	<b>191,831</b>	<b>186,273</b>
Reversals of impairment losses (impairment losses) of Authorisations and concessions and Other intangible assets	56,750	2,361
Reversals of impairment losses (impairment losses) of Property, plant and equipment	24,406	6,739
<b>Reversals of impairment losses (impairment losses)</b>	<b>81,156</b>	<b>9,099</b>
<b>Total</b>	<b>348,681</b>	<b>267,979</b>

Amortisation and depreciation refer mainly to wind farms and solar systems.

The increase reflects the full contribution of the new farms acquired during the year and developed internally (EUR 16 million).

The items relating to Write-downs include the write-down of photovoltaic farms in Spain (EUR 59 million) following the impairment test, and adjustments to the net residual value of property, plant and equipment and intangible assets of existing wind farms where the Group has decided to undertake repowering or revamping projects in Italy, France and Germany (EUR 21 million).

## NOTE 22 - IMPAIRMENT TESTING

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

This section provides a description of the impairment tests on the Group's main assets, as required by IAS 36.

In particular, it should be noted that for the verification:

- of Goodwill, the recoverable amount was assessed at the level of CGU Groups, determined based on the value in use calculated from an estimate of cash flows over the useful life of the assets attributable to the aforementioned Groups, or based on the Fair Market Value.
- of property, plant and equipment, intangible assets and right-of-use assets, with finite useful lives allocated to individual CGUs, in accordance with IAS 36, indicators were identified that can provide evidence that an asset may have undergone impairment.

It should be noted that the recoverable value is also determined by

considering the assumptions that a market participant would use in determining the value of the asset being measured.

In addition, it should be noted that, since the goodwill has been allocated to Groups of CGUs, impairment testing is carried out in the following phases:

- The first impairment test is performed at the level of the individual CGU without goodwill (bottom-up test) and any impairment loss is recognised in the income statement;
- The second impairment test is performed on the set of CGUs to which the goodwill relates (top-down test).

The above tests were carried out in accordance with the Impairment Test Procedure approved by the Board of Directors of the parent company ERG S.p.A. on 25 February 2026.

### Identification of groups of cash-generating units (CGUs)

For the purposes of impairment testing, the operating segments currently identified by the Group coincide with the different geographical areas in which the Group operates, consistent with the two technologies, wind and solar, used for power generation.

The operating results are analysed according to the following matrix, which identifies the different geographical areas in which the Group operates and the two different technologies.

	Wind	Solar
Italy	✓	✓
France	✓	✓
Germany	✓	–
Poland	✓	–
Romania	✓	–
Bulgaria	✓	–
UK	✓	–
Spain	–	✓
United States	✓	✓

The groups of CGUs were then identified, consistently with the Group's organisational and business structure, as assets that generate independent cash inflows deriving from their continuous use and they follow a dual dimension pertaining, on one hand, to the current reference market, identified in the country where the facilities are located, and, on the other hand, to generating technology, for a total of thirteen groups of CGUs.

### Goodwill allocated to CGU Groups:

(EUR million)	Italy	France	Germany	United States	UK	Total
Wind	194	83	32	30	3	342
Solar	84	15	–	–	–	100
<b>Total</b>	<b>278</b>	<b>98</b>	<b>32</b>	<b>30</b>	<b>3</b>	<b>442</b>

The recoverable amount of the CGU Groups to which goodwill is allocated has been verified through the determination of the value in use, calculated using the discounted cash flow method, the cash flow to equity method or the fair market value method, based on the following assumptions:

- the groups of CGUs coincide with the set of wind farms in Italy, France, Germany, the United States and the United Kingdom, and the solar plants in Italy, France, Spain and the United States;
- to determine the value in use, the present value of the expected operating cash flows associated with the CGU Groups has been estimated, based on a period corresponding to the shorter of the expected duration of the land leases, including renewals where applicable under contractual terms or customary business practices, and the economic/technical useful life of the farms<sup>2</sup>, taking into account the Life Time Extension (LTE) project undertaken by the Group in relation to assets already in operation. For the new acquisitions made starting from 2021, for the Repowering and Revamping projects and for the new greenfield projects, an average time horizon of 40 years from the Commercial Operation Date (COD) of the project was considered, in line with the assumptions underlying the investment decision;
- the terminal value may be considered as the present value of the cash flows generated beyond the end of the useful life of the tangible asset. This value also takes into account the estimated residual duration of the relevant authorisations and concessions. The terminal value is therefore implicit in the definition of the time horizon underlying the valuation;
- for the purposes of discounting cash flows, a post-tax sector WACC has been used, differentiated by geographical area: 5.8% in Italy, 5.5% in

2 The average economic and technical useful life of individual tangible assets is estimated at 30 years for recently constructed plants and 25 years for older plants.

France, 5.2% in Germany, 6.7% in the United Kingdom and 6.4% in the United States. The Group applies a post-tax discount rate that reflects current market conditions in terms of cost of capital and the specific risk of the CGUs. The determination of the discount rate takes into account the main relevant financial parameters: the risk-free rate of return, country risk, beta, the debt-to-equity ratio, swap rates and the typical cost of funding for the assets associated with the various CGUs. The inputs used are objective market data and, where appropriate, are based on a panel of comparable companies, in order to reflect both the typical market risk of the sector and a capital structure consistent with market best practice. With reference to the cost of equity (Ke) used to discount the cash flows of the France Solar and Spain Solar CGUs, the values considered are 7.7% and 7.5%, respectively.

- The growth rates used are based on growth forecasts for the Group's industry, taking into account the Group's market share. Changes in sale prices and in direct costs are determined on the basis of past experience and on future market expectations.

In particular, the following were taken into account for the determination of the cash flows:

- the update of the main economic figures and business rationale relating to the so-called "asset based" perimeter over the 2026/2029 time horizon examined by the Board of Directors of ERG S.p.A. on 11 March 2026;
- for subsequent years, the data processed on the basis of models simulating the macroeconomic and energy scenario and assuming a steady production trend.

Taking into account the uncertainty factors related to the current geopolitical and energy context, the Group has conducted its own analyses for each geographical segment, taking into particular consideration the updating of the energy scenario, including in the medium/long term, changes to the discount rate, the risks related to the climate as well as changes in the regulatory scenario.

Specifically, with reference to the requirements set out in the ESMA Public Statement of 14 October 2025, the Group has taken into account, in performing the impairment test, all underlying macroeconomic variables, including those related to the current geopolitical uncertainty. For further details, reference should be made to the information provided in the Risks and Uncertainties section of the Report on Operations.

### Energy scenario

In the European energy sector, electricity demand has declined over the past 10 years, with weak signs of growth in certain countries, mainly in the digital sector. The electrification of non-electric energy consumption, such as mobility, heating and cooling, and industrial processes, continues to lag behind previous forecasts and is accompanied by a contraction in industrial electricity demand. On the generation side, renewable energy growth rates remain strong, although not yet aligned with the 2030 decarbonisation targets. Photovoltaic, in particular, continues to record significant expansion, while wind power is growing at a slower pace, although it still maintains a higher share of generation than solar. In the main European countries, renewable sources accounted for 45% of total electricity generation in 2025.

The increasing share of renewables, combined with the slower-than-expected electrification of energy consumption, has led to a decline in captured prices for these technologies, with solar energy being particularly affected. This has also affected electricity prices on European markets, particularly during low-demand and high-production periods, such as spring and part of the summer.

The energy sector has experienced a degree of volatility in natural gas prices and, consequently, in electricity prices. Price fluctuations have been influenced by new seaborne gas supply routes (LNG), following the effective cessation of flows from Russian pipelines.

At the same time, there has been a marked increase in the price of ETS emission allowances, driven by growing regulatory pressure and purchases by financial market participants. This, together with gas prices remaining significantly higher than those previously associated with Russian supplies, is resulting in higher energy costs for European businesses compared with international markets, with negative implications for global competitiveness. This situation is leading European governments to propose or adopt measures to contain energy bills for businesses and households, including through limitations on the prices captured by generation assets. For these reasons, the price outlook for the 2026-2030 period is expected to remain highly volatile, particularly if the anticipated electrification of energy consumption is further delayed.

At the date of preparation of these Financial Statements, and subsequent to the reporting date, certain external events have occurred that may potentially affect the macroeconomic environment and the energy sector in which the Group operates, in particular:

- the enactment of Italian Decree Law no. 21 of 20 February 2026 (the so-called Energy/Bills Decree Law) and
- the outbreak of armed conflict in the Middle East.

The Energy/Bills Decree Law has the stated objective of containing electricity and gas prices for households and businesses, through interventions in price formation mechanisms and via fiscal measures imposed on operators in the energy sector. Such measures could result in indirect and potentially negative effects on the revenue and margins of renewable energy operators, particularly through a possible reduction in wholesale electricity prices (PUN).

At the date of preparation of these Financial Statements, the economic effects of the Decree cannot yet be directly or reliably quantified, as:

- certain measures require coordination and implementation at European level (in particular in relation to the ETS system and market mechanisms);
- the Decree is subject to the legislative conversion process, with possible changes to the scope and intensity of the measures;
- the impact on prospective cash flows depends on external variables (commodity prices, competitive dynamics, customer behaviour) that cannot be isolated or accurately determined.

At the same time, the ongoing conflict in the Middle East represents a further factor of macroeconomic uncertainty. According to market analyses, this event has already led to immediate increases and volatility in energy prices; however, the evolution of its impacts in the short, medium and long term remains highly uncertain and dependent on geopolitical developments that cannot be predicted at present. In the short to medium term, these international dynamics could also generate effects of an opposite nature to those that may be expected in relation to the Energy/Bills Decree Law.

For the purposes of the impairment test, the Group generally determines the recoverable amount of Cash Generating Units based on business plans and long-term prospective cash flows, consistent with the useful life of the underlying assets, which in some cases extends over time

horizons significantly exceeding twenty years. In this context, the potentially opposing effects of the two events described above, together with the high degree of uncertainty that characterises them, do not allow, at the date of preparation of the financial statements, a reliable determination of a specific and structural impact on the cash flows used to estimate the recoverable amount.

In line with IAS 36, the assumptions used in the impairment tests reflect management's best estimates at the reporting date, based on reasonable and supportable information, without incorporating future effects whose probability of occurrence or economic impact cannot be reliably determined.

To this end, this Financial Statements document includes disclosure on sensitivity analyses, with particular reference to variables characterised by a higher degree of uncertainty, including expected energy prices as well as the financial parameters used to determine the discount rate. In this context, management believes that the sensitivity analyses carried out on energy prices — and in particular the scenario assuming a 5% reduction in total energy sales revenue compared with the reference values — may incorporate, albeit indicatively, the potential indirect economic effects that cannot be precisely quantified and that are attributable to the measures introduced by the Energy/Bills Decree Law. Conversely, as already noted, the ongoing geopolitical conflict could lead, at least in the short term, to energy price dynamics of the opposite nature, characterised by increases and greater volatility, the evolution of which in the medium to long term cannot currently be reliably predicted.

### Discount rate

The discount rate estimation method used by the Group provides that:

- specific rates are determined for each Group of CGUs, in line with the configuration of the expected flows;
- the rates are updated twice a year (in the annual and half-yearly financial statements) regardless of the extent of the change compared to the last approved rate;
- the country risk component is included in the discount rate.

If the cash flows used for valuation purposes are not representative of the average expected flows, the WACC must be increased by a premium aimed at considering the greater risk.

In summary, the Group has divided the estimation process into two main phases (i) Definition of the comparable basket for each Group of CGUs; (ii) Calculation on the basis of the baskets identified of the parameters for determining the return on risk capital, the cost of debt and the capital structure for each group of CGUs.

In consideration of the above, the discount rates determined in line with the calculation method used for the impairment test carried out for the 2024 Consolidated Financial Statements were used.

The verifications carried out for the purposes of these Consolidated Financial Statements showed, for all the groups of CGUs assessed, a positive difference (headroom) between the recoverable amount<sup>3</sup> and the carrying amount<sup>4</sup>:

(EUR million)	
CGU Group	Headroom <sup>(1)</sup>
Wind Italy	770
Solar Italy	1
Wind France	202
Solar France	3
Wind Germany	17
Wind United Kingdom	88
Wind United States	86

(1) positive difference (headroom) between the recoverable amount and the carrying amount.

With regard to Spain Solar, it should be noted that in recent financial years the reference environment has been characterised by significant volatility in energy prices and uncertainty in the forward-looking projection of economic and market scenarios, as well as in the development of the renewables sector and the level of penetration of RES in the medium to long term. In light of this context, and in line with the approach already adopted in the 2024 Financial Statements, the recoverable amount has been determined using Fair Market Value. To support the valuations carried out, an independent third party was also engaged to perform a valuation exercise, which confirmed the Group's assessments. The fair value has been classified as Level 3, considering the nature and significance of the inputs used in the valuation techniques applied.

The update of these valuations, carried out in light of the most recent market evidence, has identified a reduction in the recoverable value of the Spanish solar assets. This is attributable, on the one hand, to the persistence of an unfavourable economic scenario, which during the last financial year saw, in particular, an increase in the occurrence of negative prices, and, on the other hand, to a reduction in the production levels of certain assets, particularly those acquired less recently. In view of the volatility already described, no development initiatives currently under consideration by the Group have been included in the forward-looking plans. In light of these factors, the recoverable amount of the CGU was lower than its carrying amount by a total of EUR 46 million (net of tax effects). In accordance with the criteria set out in IAS 36, an overall

3 Recoverable amount including non-controlling interests.

4 The carrying amount corresponds to the Net Invested Capital and is determined by the algebraic sum of the Non-current Assets (including Goodwill), Net Operating Working Capital, Liabilities related to Post-employment Benefits, Other Assets and Other non-financial liabilities, and the Right of Use of assets, including the related tax effect, of all the companies within the group of CGUs, including the consolidation entries consistent with the Group Consolidated Financial Statements but considering the different sub-aggregation of data corresponding with the group of CGUs.

impairment loss of EUR 46 million was therefore recognised, through:

- the full write-down of the goodwill allocated to the Spain Solar CGU Group for EUR 9 million;
- the partial write-down of intangible assets with a finite useful life and rights of use, allocated to Spanish solar assets, for EUR 50 million (EUR 38 million net of tax effects).

Fair Market Value assessments were also carried out for the solar assets in France, for which the value in use was lower than the carrying amount at the end of the year. The recoverable value thus determined was higher.

### Sensitivity analysis

The result of the impairment test derives from the estimates made by Group management on the basis of the information available to date and the assumptions shown in the previous section. The most uncertain assumptions for which subjective assessments are more usually required regard in particular those relating to:

- the identification of expected energy prices;
- the estimate of the financial parameters used to determine the discount rate;
- the assessment of the availability of renewable resources;
- changes in the reference legislative and regulatory framework, which, due to price control regulations, could constitute a risk factor.

The Group took account of the aforesaid uncertainties in developing and defining the basic assumptions used to determine the recoverable amount of the gains allocated to the segments examined, and also carried out a sensitivity analysis on the recoverable amount of the groups of units. This analysis assumed two scenarios:

- that total revenue from sales of energy (i.e. energy remuneration and generation) could undergo a decrease of an estimated 5% compared to the values estimated for the Plan;
- that the discount rate<sup>5</sup> used could be increased by 1 percentage point.

(EUR million)		
CGU Group	-5% Revenue	+1% Discount rate
Wind Italy	(140)	(250)
Solar Italy	(22)	(18)
Wind France	(59)	(79)
Solar France	(5)	(2)
Solar Spain	(12)	(13)
Wind Germany	(27)	(30)
Wind United Kingdom	(29)	(71)
Wind United States	(20)	(40)

The recoverable amount would be equal to the reference carrying amount (headroom equal to zero) under the following assumptions of a reduction in revenue for the respective CGU Groups:

- Italy Wind: -31%
- Italy Solar: -3%
- France Wind: -16%
- France Solar: -3%
- Germany Wind: -3%
- United Kingdom Wind: -16%
- United States Wind: -21%

<sup>5</sup> For assets measured at fair market value (solar assets in Spain and France), the Ke was taken into consideration.

The recoverable amount would be equal to the reference carrying amount (headroom equal to zero) in the following WACC<sup>6</sup> increase assumptions for the respective groups of CGUs.

- Italy Wind: 11%
- Italy Solar: 7%
- France Wind: 8%
- France Solar: 1%
- Germany Wind: 6%
- United Kingdom Wind: 8%
- United States Wind: 8%

The above analyses confirm the sensitivity of the assessments of the recoverability of non-current assets to changes in the aforesaid variables; in this context, the Directors will systematically monitor changes in the aforesaid external, uncontrollable variables in order to make any necessary adjustments to the estimates of the recoverability of the carrying amounts of goodwill in the Consolidated Financial Statements.

#### **Testing of intangible assets with finite useful lives and of Property, plant and equipment and Right-of-Use Assets**

For the purposes of the 2025 Consolidated Financial Statements, the Group verified whether there are any indications that either property, plant and equipment or intangible assets with finite useful lives may have become impaired. To this end, it is specified that for the ERG Group:

- property, plant and equipment are represented by the electricity generation plants of different technologies (wind farms and solar systems in Italy and abroad);
- intangible assets are mainly represented by the residual value of the values<sup>7</sup> allocated in the purchase price allocation and recorded as increases in the value of the concessions, authorisations and rights to operate wind farms and solar systems, including any rights to incentive tariffs for plants in operation.

In line with the previous years, these values are allocated to the individual reference CGU represented by the individual legal entities and/or business combinations that generated them.

In accordance with IAS 36, the group identified a list of indicators, which can indicate that an asset may have become impaired (trigger events). For this purpose, both internal and external sources of information have been considered:

- With regard to internal sources, the following were taken into consideration: (i) obsolescence or physical deterioration of the asset, (ii) significant internal changes with negative effects occurring in the year or expected in the near future, and (iii) evidence from internal reports that the performance is or will be lower than the Budget expectations.
- With regard to external sources, on the other hand, the following are considered: the trend in market prices of the assets, any technological, market or regulatory discontinuities, market interest rate trends and the carrying amount of net assets above market capitalisation. To verify this information, a synthetic indicator was also identified ("profitability indicator") calculated by discounting the sum of the operating cash flows (EBITDA) for the residual observation period, determined on the basis of the same procedures and assumptions already commented in the previous paragraph for Goodwill testing. To also capture the related tax effects, the indicator is net of notional taxes on EBITDA. The indicator thus calculated is compared with that of the previous year in order to verify the potential impairment loss, pursuant to the provisions of paragraph 15 of IAS 36. Lastly, the Group verifies that the carrying amount of the Group's net assets is not higher than the stock market capitalisation.

If the comprehensive analysis of the indicators shows that both property, plant and equipment and intangible assets with finite useful lives may have become impaired, the recoverable amount will be determined and compared with the carrying amount.

The recoverable amount for the individual CGUs is calculated as the value in use with the same procedures and assumptions already commented on in the previous section for Goodwill testing.

If this amount is lower, the carrying amount of the assets would be reduced to the related recoverable amount with the exception of the cases in which fair value net of costs to sell was higher.

Following the impairment tests already described on solar assets, the Group recognised a total write-down of EUR 50 million (EUR 37 million net of tax effects), attributable to the reduction in the recoverable amounts of the Cash Generating Units.

In particular, the write-down refers for EUR 12 million to Rights of Use and for EUR 37 million to the item *Authorisations and concessions*. The write-down resulted in an overall positive tax effect of EUR 13 million, recognised under deferred taxes.

#### **Recoverable amount of groups of CGUs**

Finally, it should be noted that, even if not expressly required by IAS 36, Group Management proceeded to determine the recoverable value, understood as value in use, of the CGU Groups to which no goodwill is allocated, comparing it with the related carrying amount. No impairment emerged as a result of this test.

<sup>6</sup> For assets measured at fair market value (solar assets in France), the Ke was taken into consideration.

<sup>7</sup> Values relating to business combinations carried out by the Group over the years.

## NOTE 23 - EQUITY INVESTMENTS

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

#### Associates

These are companies in which the Group exercises significant influence, but not control or joint control, over financial and operating policies, as defined by IAS 28 – Investments in associates and joint ventures. The Consolidated Financial Statements include the Group's share of the results of the associates, measured under the equity method, starting from the date when significant influence starts until the time when it ceases to exist. If the Group's share of the associate's losses exceeds the

carrying amount of the equity investment in the Consolidated Financial Statements, of the equity investment is fully impaired and the share of additional losses is not recognised, except and to the extent to which the Group is obligated to be liable for them.

The breakdown of the item Equity investments held at 31 December 2025 is shown below.

(EUR thousand)	Measured at equity	Measured at cost	Total
<b>Equity investments:</b>			
- in subsidiaries not consolidated on a line-by-line basis	-	390	<b>390</b>
- in associates	425	-	<b>425</b>
<b>Total</b>	<b>425</b>	<b>390</b>	<b>815</b>

(EUR thousand)	Subsidiaries not consolidated on a line-by-line basis	Associates	Total
<b>BALANCE AT 31/12/2024</b>	<b>356</b>	<b>428</b>	<b>784</b>
<b>Changes for the year:</b>			
Acquisitions/share capital increases/increases	44	-	<b>44</b>
Impairment losses/utilisation of loss allowances	-	-	-
Reclassification to Other non-current financial assets	(10)	-	<b>(10)</b>
Disposals and divestments	-	-	-
Measurement using the equity method	-	(3)	<b>(3)</b>
<b>BALANCE AT 31/12/2025</b>	<b>390</b>	<b>425</b>	<b>815</b>

## NOTE 24 - NET GAINS (LOSSES) ON EQUITY INVESTMENTS

(EUR thousand)	2025	2024
<b>Net gains (losses) on equity-accounted investments</b>	<b>(38)</b>	<b>(26)</b>
Dividends from other companies consolidated at cost	2	-
Price adjustment for sale of equity investment	4,089	(1,350)
Impairment losses on equity investments	-	(1,005)
<b>Total Other net gains (losses) on equity investments</b>	<b>4,089</b>	<b>(2,355)</b>
<b>Total</b>	<b>4,053</b>	<b>(2,382)</b>

The **net losses on equity-accounted investments** concern a company that resulted in a negative adjustment of EUR 38 thousand.

The item **Price Adjustment for sale of equity investments** includes a positive price adjustment recorded in the 2025 financial year relating to the sale of an equity investment completed in previous years, which was simultaneously impaired due to uncertainty regarding the collectability of the amount due.

It should be noted that in 2024 the item included a negative price adjustment relating to the aforementioned sale.

## NOTE 25 - OTHER NON-CURRENT FINANCIAL ASSETS

(EUR thousand)	31/12/2025	31/12/2024
Tied receivables - Escrow Account – Italian Law no. 488/92 grants	24,240	24,240
Security deposits and other minor	25,100	22,414
<b>Total</b>	<b>49,339</b>	<b>46,654</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 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 (as illustrated in **Note 13 – 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 ruling 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, scheduled for 24 June 2025, has been postponed to 11 November 2025.*

*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 Italian Head of State 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 2024 with the exception of the extraordinary appeal brought by ERG Wind 6, which was declared inadmissible in 2022 due to lack of jurisdiction of the administrative judge. This is a partially different ruling from the others in that the contributions pursuant to Italian Law no. 488/92 were never paid to the company and therefore the revocation decree implied only the definitive loss of the contributions not paid, but had no economic impact on the company. On 11 December 2024, the meeting was held to discuss the outstanding extraordinary appeals, in view of which the companies filed briefs with a request to postpone the decision pending the outcome of the criminal proceedings pending before the Court of Appeal of Naples. As of now, there is no evidence of the decision made in the meeting of 11 December 2024, as no ruling has yet been communicated to the appellant companies. In light of the precedent set by ERG Wind 6, it cannot be ruled out that the administrative court may also declare a lack of jurisdiction in this case, which would allow the appellant companies to reopen 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 agreements concluded between said seller and ERG, dated 19 December 2016 and 15 March 2024 respectively, 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 13 – Other non-current liabilities**)) had already been allocated, further provisions are not required.*

## IV. PROVISIONS AND CONTINGENT LIABILITIES

### NOTE 26 - OTHER PROVISIONS

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

The amounts recorded under Other provisions against obligations existing at the reporting date are measured on the basis of the best estimate of the financial outlay that will be necessary to fulfil the obligation. Changes in estimates are reflected in the income statement in the period in which the change occurs.

The other categories of provisions reflect the measurement of probable liabilities related to some pending disputes for which it was possible to make a reliable estimate of the corresponding expected obligation. For these provisions, no discounting was applied because of the uncertainty about the utilisation times.

(EUR million)	31/12/2025	Increases	Decreases	Reclassificationse	Change in the consolidation scope	31/12/2024
Provision for tax risks	24,766	156	(5,080)	-	-	29,690
Provision for institutional counterparty risks	20,392	-	(3,260)	(1,844)	-	25,496
Provision for disposed businesses	1,749	1,720	(2,458)	-	-	2,488
Provision for legal risks	3,315	396	(14)	-	-	2,933
Other provision for risks and charges	9,969	3,201	(2,543)	1,844	573	6,894
<b>Total other provisions</b>	<b>60,192</b>	<b>5,473</b>	<b>(13,355)</b>	<b>-</b>	<b>573</b>	<b>67,501</b>

The **Provision for tax risks** includes provisions for risks recognised in connection with acquisitions in previous years 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 provided 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 year mainly refers to the release of provisions for risks recognised in connection with certain acquisitions that occurred in previous years for which the requirements that originally led to their recognition are no longer met.

The **Provision for institutional counterparty risks** mainly refers to charges related to interest and revaluations on the grants under Italian Law no. 488/1992 (EUR 20 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 25 – 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**;

The change in the year mainly consists of releases relating to potential charges in Romania and Poland for which the requirements that originally led to their recognition no longer exist.

The **Provision for Disposed Businesses** includes allocations relating to potential liabilities deriving from the sale of the Hydroelectric business in 2022 and the Thermoelectric business in 2023, for which a total of EUR 3 million has been allocated.

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 as well as risks relating to disputes involving some foreign companies. The increase refers to the reclassification of a liability previously recorded under investment liabilities, in view of a dispute currently in progress. The decrease mainly refers to the use or release of provisions for sundry risks and charges in some Italian and French companies for which the requirements that had originally led to their recognition are no longer met. The increase in the change in the consolidation scope refers to the recognition of a provision for potential future charges identified in connection with the acquisition during the year.

### 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.

Significant contingent liabilities, represented by the following, are disclosed in the notes to the Consolidated Financial Statements:

- 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 company'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 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 year is shown below:

(EUR thousand)	31/12/2025	31/12/2024
Share capital	100,000	100,000
Share premium reserve	7,000	7,000
Revaluation reserves	37	37
Legal reserve	20,000	20,000
Merger reserve	2,471,568	2,471,568
Retained earnings	910,838	868,319
Other reserves	378,883	336,721
Profit for the year	104,254	225,931
<b>Equity attributable to the owners of the parent</b>	<b>3,992,581</b>	<b>4,029,576</b>
Non-controlling interests	65,353	76,485
<b>Equity</b>	<b>4,057,933</b>	<b>4,106,060</b>

#### Dividends

The dividends paid by ERG Power Generation S.p.A. to the parent company ERG S.p.A. in 2024 amounted to EUR 70 million (EUR 60 million in 2024). It should also be noted that dividends in the amount of EUR 6 million were paid to non-controlling interests of investees.

#### 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 at the date of preparation of this document.

#### Hedging reserve

With reference to the impact on the statement of comprehensive income of hedging derivatives in the amount of negative EUR 23,919 thousand, please refer to the Statement of Comprehensive Income.

#### 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	31/12/2025			31/12/2024	
	% non-controlling interest	non-controlling interests	Profit/(Loss)	non-controlling interests	Profit/(Loss)
Andromeda PV S.r.l.	21.50%	6,424	2,362	6,165	2,017
C.P.E.S. Mas d'en Ramis S.A.S.	40.00%	(313)	(32)	(281)	(281)
C.P.E.S. La Brède S.A.S.	42.58%	(232)	(98)	(134)	(134)
Project Pinnacle I, LLC	25.00%	59,470	3,260	70,731	1,027
<b>Total</b>		<b>65,349</b>	<b>5,491</b>	<b>76,481</b>	<b>2,629</b>

The change mainly refers to the change in the consolidation scope, as well as the effect of the dividends paid by the companies Andromeda PV S.r.l. and Project Pinnacle I, LLC.

It should be noted that, with respect to the non-controlling interest in the net equity of C.P.E.S. Mas d'en Ramis S.A.S. and C.P.E.S. La Brède S.A.S., which are part of the Falcon business combination, and based on the agreements with non-controlling interests that include respective repurchase commitments in 2027 and 2028, the fair value of this commitment, amounting to approximately EUR 1.7 million, has been reclassified as a non-current liability.

## 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 matters indicated on the subject in CONSOB Warning Notice no. 5/21 of 29 April 2021. The comparative data at 31 December 2020 have been restated to provide a better representation in accordance with the provisions of the above-mentioned CONSOB Warning Notice.

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
- 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 current liabilities
- L. Non-current financial indebtedness (I) + (J) + (K)
- M. Net financial indebtedness (H) + (L)

### Financial assets and Financial liabilities

All financial assets and liabilities are initially recognised on the trading date, i.e. when the Group becomes a contractual party to the financial instrument. Financial instruments are initially measured at fair value plus or minus, in the case of financial assets or liabilities not at FVTPL, transaction costs directly attributable to the acquisition or to the issue of the financial instrument. Subsequently, their measurement and classification is based on the analysis of contractual cash flows and on the business model adopted by the Group for the management of these instruments. They can therefore be measured and classified as follows:

- **Amortised cost.** They mainly include instruments such as loan assets and other loans granted by the Group. The amortised cost is decreased by impairment loss. Interest, determined using the effective interest method, exchange gains and losses and impairment losses are recognised in profit or loss for the year as are any gains or

losses on derecognition.

- **Fair value through profit or loss for the year (FVTPL).** These instruments are recognised at fair value even after initial recognition and changes in fair value are recognised in profit or loss for the year. They include equity investments and derivative instruments not classified by the Group as hedging instruments.
- **Fair value through other comprehensive income (FVOCI).** These instruments are recognised at fair value even after initial recognition. They mainly include debt securities, equities and derivative instruments classified by the Group as hedging instruments. Interest income calculated in accordance with the effective interest method, exchange gains and losses and impairment losses are recognised in profit or loss for the year; other net gains and losses are recognised in the Statement of Comprehensive Income. When the financial asset is derecognised, the gains or losses previously recognised in the Statement of Comprehensive Income are reclassified to the income statement.

Financial assets and liabilities measured at amortised cost using the effective interest method or at FVTPL. Any changes to financial assets and liabilities measured at FVTPL, including interest expense, are recognised in profit/(loss) for the year. In the case of financial liabilities subsequently measured at amortised cost, interest expense and exchange gains/(losses) are recognised in profit/(loss) for the year, as well as any gains or losses deriving from derecognition.

Financial liabilities measured at amortised cost include loans, trade payables and other financial liabilities; those measured at FVTPL include derivative financial instruments. When a financial asset is derecognised, the difference between the carrying amount of the extinguished financial liability and the price paid (including the assets not represented by cash transferred or the assumed liabilities) is recognised in the profit or loss for the year.

Please refer to **Note 38 – Financial instruments** for further details.

(EUR thousand)	31/12/2025	31/12/2024
Cash and notes on hand	(49,870)	(85,714)
	<b>(49,870)</b>	<b>(85,714)</b>
Current loan assets	(148,860)	(100,715)
	<b>(148,860)</b>	<b>(100,715)</b>
Bank loans and borrowings	10	699
Current portion of Project Financing	17,004	18,385
Loans and borrowings to ERG S.p.A.	234	6,115
Other current financial liabilities	488	4,207
	<b>17,736</b>	<b>29,406</b>
<b>Current lease liabilities</b>	<b>4,539</b>	<b>5,820</b>
<b>Net current financial position</b>	<b>(176,455)</b>	<b>(151,203)</b>
Non-current portion of Project Financing	48,189	125,258
Instruments measured at fair value (IRS)	-	1,860
Other non-current payables	1,993	1,994
<b>Non-current financial liabilities</b>	<b>50,182</b>	<b>129,113</b>
<b>Non-current lease liabilities</b>	<b>227,529</b>	<b>221,818</b>
<b>Net non-current financial position</b>	<b>277,712</b>	<b>350,931</b>
<b>NET FINANCIAL INDEBTEDNESS</b>	<b>101,257</b>	<b>199,728</b>

#### Indirect and contingent indebtedness

In accordance with ESMA Guidelines, the description and nature of the Group's indirect and contingent indebtedness at 31 December 2025 is provided below.

The Group's indirect and contingent indebtedness at 31 December 2025 mainly refers to commitments to build assets over the next 12 months and amounts to approximately EUR 199 million, mainly attributable to the development of wind farms in Germany (EUR 78 million), France (EUR 24 million), the United Kingdom (EUR 7 million), and projects in Italy, mainly repowering, revamping, and storage for a total of approximately EUR 91 million.

### NOTE 30 - CASH AND CASH EQUIVALENTS

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

Cash and cash equivalents are presented at fair value, which corresponds to their nominal amount. In accordance with IAS 7, the definition of cash equivalents comprises cash on hand and bank/postal deposits repayable on demand, together with short-term investments

that are convertible to a known amount of cash. It also includes short-term investments whose reimbursement value is predetermined at the date of initial purchase/recognition.

This item, equal to EUR 50 million at 31 December 2025 (EUR 86 million at 31 December 2024), is made up of 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 9 million.

## NOTE 31 - FINANCIAL ASSETS MEASURED AT FAIR VALUE

(EUR thousand)	31/12/2025	31/12/2024	Impact on Net Financial Indebtedness
Fair value of Virtual Power Purchase Agreements	13,024	23,808	
<b>Total non-current portion</b>	<b>13,024</b>	<b>23,808</b>	
Fair value of derivatives hedging interest rates	377	-	
Fair value of derivatives hedging electricity prices	5,899	7,706	
<b>Total current portion</b>	<b>6,275</b>	<b>7,706</b>	

The non-current portion, equal to approximately EUR 13 million at 31 December 2025 (EUR 24 million at 31 December 2024), consists mainly of receivables relating to the positive fair value of the VPPA in Italy, equal to approximately EUR 24 million (EUR 17 million at 31 December 2024). The current portion, equal to approximately EUR 6 million at 31 December 2025 (EUR 8 million at 31 December 2024), consists mainly of receivables relating to the positive fair value of instruments hedging commodity price risk, equal to approximately EUR 6 million (EUR 8 million at 31 December 2024).

## NOTE 32 - CURRENT FINANCIAL ASSETS

The item, amounting to EUR 116 million at 31 December 2025 (EUR 84 million at 31 December 2024), which is fully included in the net financial position, consists mainly of financial receivables from the parent company ERG S.p.A., as well as EUR 20 million in amounts relating to the centralised treasury between ERG Power Generation S.p.A. and ERG Sweden Holding AB, which are subject to disposal.

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

Traditional sources of financing, amounting to EUR 65 million (EUR 144 million at 31 December 2024), relate entirely to existing **Project Financing**, relating to scopes subject to acquisition or subscribed before 2019, connected to photovoltaic and wind power plants located in Italy and Germany, respectively.

Specifically:

- loans for EUR 49 million, with final maturity in November 2028, relating to the construction of a solar system through an Italian company;
- loans for EUR 16 million, with a final maturity in December 2038, granted for the construction of a wind farm through a German company;

In addition, it is pointed out that:

- in March 2025, the bank loan taken out by the British company Broken Cross Wind Farm Limited, acquired in January 2025, was repaid for a total amount of approximately EUR 43 million;
- in December 2025, the bank loan taken out by the French company C.E.P.E. Renouvellement Haut Cabardès, which was acquired in January 2024 for a total amount of approximately EUR 61 million, was repaid;

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.

**Other liabilities** refer primarily to deferred components of the purchase price of companies abroad mainly for approximately EUR 2 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:

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



The graph below provides details on the financial parameters relating to the above loans/Project Financing.

2025 Financial Statements	2024 Financial Statements	Project Financing/Loans	Compliance with covenant(s)	Event of Default	Remedies in case of Event of Default <sup>(1)</sup>
✓	✓	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	n.o./a	HDSCR less than 1.05x	✓

(H)DSCR: (Historical) Debt Service Coverage Ratio

(1) Contractually established remedies that the Company can take to avoid default.

Key:

✓ Present

• Not present

n/a Not applicable

## NOTE 34 - LEASE LIABILITIES

Financial liabilities arising as a result of the application of IFRS 16 equal to EUR 232 million (EUR 228 million in 2024) of which EUR 228 million (EUR 222 million in 2024) medium/long-term and EUR 5 million short-term (EUR 6 million in 2024).

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

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

## NOTE 35 - FINANCIAL LIABILITIES MEASURED AT FAIR VALUE

(EUR thousand)	31/12/2025	31/12/2024	Impact on Net Financial Indebtedness
Fair value of Virtual Power Purchase Agreements	96,272	97,145	
Fair value of derivatives hedging interest rates	-	1,959	✓
<b>Total non-current portion</b>	<b>96,272</b>	<b>99,104</b>	
Fair value of Virtual Power Purchase Agreements	10,382	6,767	
Fair value of derivatives hedging electricity prices	863	3,065	
<b>Total current portion</b>	<b>11,245</b>	<b>9,832</b>	

The non-current portion, equal to EUR 96 million (EUR 99 million at 31 December 2024) mainly includes the negative fair value of the VPPA in Spain, the USA and the UK, part of which was recognised at fair value as part of the related business combinations. These instruments were also designated as hedging instruments and therefore are not included in the financial liabilities of the Net Financial Indebtedness prepared in accordance with CONSOB Warning Notice no. 5/21 of 29 April 2021.

The current portion of EUR 11 million (EUR 10 million at 31 December 2024) consists of:

- the portion to be released in the short term of liabilities referring to the negative fair values recognised as part of the related VPPA business combinations in Spain and the US, equal to approximately EUR 10 million (EUR 7 million at 31 December 2024);
- liabilities related to the negative fair value of commodity price risk hedging instruments amounting to approximately EUR 1 million (EUR 3 million at 31 December 2024), which do not fall under the classification of financial liabilities and are therefore not included in the net financial indebtedness.

## NOTE 36 - NET FINANCIAL INCOME (EXPENSE)

(EUR thousand)	2025			2024		
	Financial income	Financial expense	Net	Financial income	Financial expense	Net
Bank interest income (expense) on current accounts	4,084	(911)	3,174	2,060	(1)	2,059
Financial income (expense) on interest rate derivatives – differential	-	(111)	(111)	1,425	-	1,425
Financial income (expenses) from the parent company	-	(932)	(932)	100	-	100
Financial income (expenses) from associates	67	-	67	124	-	124
Financial income (expenses) from third parties	3,484	-	3,484	4,927	-	4,927
Interest expense on project financing	-	(7,282)	(7,282)	-	(7,508)	(7,508)
Liability management transactions	4,175	(1,924)	2,251	-	-	-
<b>Liquidity management/Cost of debt</b>	<b>11,810</b>	<b>(11,160)</b>	<b>651</b>	<b>8,636</b>	<b>(7,508)</b>	<b>1,128</b>
Other financial income (expense)	3,417	(2,680)	737	10,163	(477)	9,686
Derivative financial income (expense) – change in fair value	23,625	(22,068)	1,556	15,216	(14,153)	1,063
Financial expense on US Tax Partner Liability	-	(8,263)	(8,263)	-	(8,099)	(8,099)
Loan renegotiations gain (loss)	-	-	-	-	-	-
Amortised cost on loans, borrowings and project financing	(92)	583	491	-	(69)	(69)
Interest expense on lease liabilities	-	(11,012)	(11,013)	-	(10,480)	(10,480)
Exchange gains (losses)	247	(2,167)	(1,920)	2,455	(1,536)	919
<b>Other income (expense)</b>	<b>27,197</b>	<b>(45,607)</b>	<b>(18,412)</b>	<b>27,834</b>	<b>(34,814)</b>	<b>(6,979)</b>
<b>Total</b>	<b>39,007</b>	<b>(56,767)</b>	<b>(17,760)</b>	<b>36,470</b>	<b>(42,322)</b>	<b>(5,852)</b>

The **Interest expense on project financing** included in the cost of debt represent the portion of financial charges relating to contractual interest, while their adjustment to the effective interest rate is represented by the items “Loan renegotiations – IFRS 9” and “Amortised cost on loans, borrowings and project financing”.

The item **Financial income (expenses) from third parties** includes interest income recognised on the intercompany loan to ERG Sweden Holding, which is in the process of being sold at 31 December 2025, and is no longer subject to derecognition.

Liability management transactions include non-recurring expenses related to the closure of project financing agreements by the newly acquired company in the United Kingdom and the French company C.E.P.E. Renouvellement Haut Cabardès, including the extinguishment of fair values related to derivative financial instruments used to hedge 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 shown reflect technical purchase and sale transactions. 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 Partner liabilities** represents the financial expense deriving from the discounting of the total amount due to the Partner at the expected internal rate of return. It should be noted that in the comparative year, these charges are calculated from 1 April 2024, the date of initial consolidation of the US scope.

**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

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

#### Derivative financial instruments

Derivative financial instruments, including embedded derivatives subject to separation from the host contract, are assets and liabilities recognised at fair value.

Derivative instruments, including forward transactions, are classified as follows:

- 1. derivative instruments that can be defined as hedges pursuant to IFRS 9:** this includes (i) cash flow hedges (CFH) on interest rates, exchange rates and commodities and (ii) fair value hedges (FVH) on commodities (price and exchange rate);
- 2. forward transactions and derivative instruments that cannot be defined as hedges pursuant to IFRS 9,** meeting the requirements of compliance with the company policies for the management of risk on exchange rates and energy commodities.

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. 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 year in the same year or in the same years in which the hedged expected future cash flows have an effect on profit or loss.

The Group analyses all contracts to buy or sell non-financial assets, with particular attention to forward purchases or sales of electricity

and energy commodities, in order to determine whether they should be classified and treated in accordance with IFRS 9 or whether they were entered into for "own use exemption".

#### Fair value hierarchy according to IFRS 13

In measuring the fair value of an asset or a liability, the Group uses, insofar as it is possible, observable market data. Fair values are categorised in various hierarchical levels according to the input data used in the measurement techniques, as illustrated below.

- Level 1: quoted prices (unadjusted) for identical assets or liabilities in active markets.
- Level 2: inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (prices) or indirectly (derived from prices).
- Level 3: unobservable inputs for the asset or liability.

The Group recognises the transfers between the various levels of the fair value hierarchy at the date of the event or of the change in the circumstances that determined the transfer in which the transfer took place.

Estimates and assumptions are revised periodically and the effects of each change are reflected in the Income Statement in the year in which the change took place.

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

31/12/2025	Fair value – Hedging instruments	FVTPL instruments – other	Financial assets measured at amortised cost	Other financial liabilities	Total Carrying Amount	Fair value	Level 1	Level 2	Level 3
(EUR thousand)									
Equity investments	-	390	-	-	390	390	-	390	-
Other non-current financial assets	-	-	49,339	-	49,339	49,339	-	49,339	-
Interest rate swaps	377	-	-	-	377	377	-	377	-
Commodity derivatives	5,899	-	-	-	5,899	5,899	-	5,899	-
Virtual Power Purchase Agreements	13,024	-	-	-	13,024	13,024	-	-	13,024
Other current financial assets	-	-	115,753	-	115,753	115,753	-	115,753	-
Trade receivables	-	-	136,608	-	136,608	136,608	-	-	-
Other assets	-	-	104,059	-	104,059	104,059	-	104,059	-
Cash and cash equivalents	-	-	49,870	-	49,870	49,870	-	-	-
<b>Total assets</b>	<b>19,300</b>	<b>390</b>	<b>455,629</b>	<b>-</b>	<b>475,319</b>	<b>475,319</b>			
Non-recourse Project Financing	-	-	-	65,193	65,193	150,689	-	150,689	-
Bank borrowings to parent companies	-	-	-	244	244	244	-	244	-
Financial liabilities	-	-	-	2,481	2,481	2,481	-	2,481	-
Commodity derivatives	863	-	-	-	863	863	-	863	-
Virtual Power Purchase Agreements	106,654	-	-	-	106,654	106,654	-	-	106,654
Trade payables	-	-	-	116,002	116,002	116,002	-	-	-
Other liabilities	-	-	-	-	254,354	254,354	-	219,839	34,515
<b>Total liabilities</b>	<b>107,517</b>	<b>-</b>	<b>-</b>	<b>183,919</b>	<b>545,790</b>	<b>631,286</b>			

(1) the item also includes 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 2 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
Commodity derivatives	Commodity Swap	Discounted Cash Flow	- MS Excel - FINCAD XL	- Official spot quotes on reference commodities	Refinitiv Eikon	Level 2
	Commodity Futures	Listed instrument		- Official settlement prices – Source: EEX	EEX via Refinitiv Eikon	Level 1
	Contract for Difference (CFD)	Discounted Cash Flow	- MS Excel	- Forward national single price quoted on the OTC market	EEX via Refinitiv Eikon	Level 2
			- FINCAD XL	- Zero coupon curve on the Euro	Refinitiv Eikon	
Virtual Power Purchase Agreement (VPPA) <sup>(1)</sup>	Discounted Cash Flow Monte Carlo method (option measurement)	- 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.

It should be noted that for instruments measured with Level 3 inputs, the net impact recognised in the income statement for the year amounted to approximately EUR 14.5 million under the item revenue, net of the tax effect. The impact on the statement of comprehensive income for the year amounted to approximately EUR 17.1 million as a decrease in the hedging reserve net of the tax effect.

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 - DISCLOSURE ON FINANCIAL RISKS

The main risks identified and actively managed by the Group include the following:

- the **Credit risk**, which highlights the possibility of default of a counterparty or any impairment of the assigned credit rating;
- the **Market risk**, deriving from exposure to interest rate and exchange rate fluctuations, and the change in the prices of the products sold and of the purchases of raw materials (commodity price volatility risk);
- the **Liquidity risk**, the risk of available financial resources being insufficient to fulfil payment commitments.

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 Senior Management of the Parent, for strategic decisions.

### Credit risk

Exposure to credit risk, inherent in the probability that a given counterparty will not be able to fulfil its contractual obligations, is managed by means of appropriate analysis and evaluation, also supported by primary providers on the analysis of the credit risk, assigning each counterparty an internal rating (Internal Based Rating, summary indicator of creditworthiness assessment). The rating classes provide an estimation of the probability of default of a specific counterparty, on which the degree of creditworthiness assigned depends, which is accurately monitored and must not be overrun. The choice of counterparties both for the industrial business and financial negotiations underlies the decisions of the Credit Committee, whose choices are supported by creditworthiness analyses.

Concentration risk, in particular per customer, is also continuously monitored without ever having presented alert situations, also in view of the characteristics of the sector in which the Group operates.

At 31 December 2025, maximum exposure to credit risk on trade receivables, broken down by geographical segment, is as follows:

(EUR thousand)	31/12/2025	31/12/2024
Italy	70,700	72,072
France	23,960	19,534
Germany	6,758	15,379
Bulgaria	1,578	7,565
Poland	5,529	5,813
Romania	15,980	5,299
UK	9,000	4,993
USA	2,534	3,265
Sweden	-	1,478
Spain	570	234
<b>Total</b>	<b>136,608</b>	<b>135,630</b>

The following graph provides information on the Group's exposure to credit risk at year-end, by classifying receivables (see **Note 6 – Trade receivables**) according to the credit rating corresponding to the ratings assigned by the information provider and assigned internally.

(EUR thousand)	31/12/2025	31/12/2024
AA+/AA- Rating	4,319	5,845
A+/A- Rating	26,720	9,305
BBB+/BBB- Rating	104,001	93,231
BB+/BB- Rating	1,563	11,563
B+/B- Rating	-	11,727
CCC Rating	4	3,459
CC Rating	0	501
<b>Total</b>	<b>136,608</b>	<b>135,630</b>

In relation to receivables not subject to impairment, the Group assigns each exposure a credit rating class that provides a forecast of the risk of loss and takes into account the proven experience in evaluating receivables. The credit rating classes are defined using qualitative and quantitative factors indicating the risk of default.

The following graph shows the exposure to credit risk and the expected losses on trade receivables not past due at 31 December 2023 (with respect to the graph above, the carrying amount is recognised net of items included under liabilities as an adjustment to receivables and of receivables already collected at the date of this document).

(EUR thousand)	Carrying amount	Weighted average loss percentage <sup>(1)</sup>	Loss allowance
AAA Rating	-	-	-
AA+/AA- Rating	4,319	0,16%	7
A+/A- Rating	26,720	0,20%	52
BBB+/BBB- Rating	104,001	0,30%	315
BB+/BB- Rating	1,563	0,52%	8
B+/B- Rating	-	0,00%	0
CCC Rating	4	2,54%	0
CC Rating	0	5,03%	0
<b>Total</b>	<b>136,608</b>		<b>383</b>

(1) Parameter assessed for each country on the basis of the Probability of Default (PD) and the statistically recognised Loss Given Default (LGD).

### Liquidity risk

Liquidity risk is the risk that financial resources may not be sufficient to cover all obligations falling due. To date, the ERG Group guarantees with the generation of cash flows and with the availability of credit facilities, made available by different counterparties, the adequate coverage of its financial requirements.

The following tables summarise the time profile of the financial liabilities of the Group, inclusive of interest, at 31 December 2025 and at 31 December 2024 on the basis of non-discounted contractual payments and the relative carrying amount.

**31/12/2025**

(EUR thousand)	Carrying amount	Maturity of liabilities					
		Total	On demand	less than 3 months	from 3 to 12 months	from 1 to 5 years	more than 5 years
Non-recourse Project Financing	65,193	73,023	-	7,828	11,557	43,294	10,344
Payables to parent companies	234	234	234	-	-	-	-
Other liabilities	2,481	2,481	-	-	2,481	-	-
Trade payables	116,002	116,002	19,607	96,377	13	4	-
<b>Total non-derivative financial liabilities</b>	<b>183,910</b>	<b>191,740</b>	<b>19,841</b>	<b>104,205</b>	<b>14,051</b>	<b>43,298</b>	<b>10,344</b>
Virtual Power Purchase Agreements	106,654	106,654	-	3,377	10,130	51,953	41,194
Commodity derivatives	863	863	-	-	813	45	5
<b>Total derivative financial liabilities</b>	<b>107,517</b>	<b>107,517</b>	<b>-</b>	<b>3,377</b>	<b>10,943</b>	<b>51,998</b>	<b>41,199</b>

**31/12/2024**

(EUR thousand)	Carrying amount	Maturity of liabilities					
		Total	On demand	less than 3 months	from 3 to 12 months	from 1 to 5 years	more than 5 years
Non-recourse Project Financing	143,643	184,639	-	9,218	15,988	78,302	81,132
Payables to parent companies	6,115	6,115	6,115	-	-	-	-
Other liabilities	6,201	6,201	-	-	6,201	-	-
Trade payables	114,528	114,528	50,122	64,406	-	-	-
<b>Total non-derivative financial liabilities</b>	<b>270,488</b>	<b>311,483</b>	<b>56,237</b>	<b>73,624</b>	<b>22,189</b>	<b>78,302</b>	<b>81,132</b>
Virtual Power Purchase Agreements	103,912	103,912	-	1,692	5,075	49,462	47,683
Commodity derivatives	3,065	3,065	-	-	3,065	-	-
<b>Total derivative financial liabilities</b>	<b>106,977</b>	<b>106,977</b>	<b>-</b>	<b>1,692</b>	<b>8,140</b>	<b>49,462</b>	<b>47,683</b>

**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 generally pursued by using derivative contracts such as Interest Rate Swaps and Interest Rate Options (plain vanilla).

At 31 December 2024, there were no interest rate hedging derivatives with a significant impact on the Group.

**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.

thousands of MWh	2025		
	Hedge Nominal	Trading Nominal	Total
Future	3,632	-	3,632
CFD	992	-	992
VPPA	16,226	-	16,226
<b>Total</b>	<b>20,850</b>	<b>-</b>	<b>20,850</b>

The following tables show the breakdown of the derivative financial instruments tied to different types of commodities and show in the case of reasonable changes in prices – while holding all other variables constant – the impact on variations in pre-tax profit (due to variations in the fair value of financial assets and liabilities) and equity attributable to the owners of the parent (due to variations in the fair value of cash flow derivatives) of a +/-25% change in the price of commodities.

## Impact on profit or loss

(EUR million)	2025	2024
Shock-up (+25% change in commodities price)	(0.0)	(0.1)
Shock-down (-25% change in commodities price)	0.0	(0.0)

## Impact on equity

(EUR million)	2025	2024
Shock-up (+25% change in commodities price)	(128.0)	(125.4)
Shock-down (-25% change in commodities price)	130.9	134.3

### Market risk – currency risk

It identifies the unexpected future change in exchange rates that could result in higher costs for the Group (transactional risk), or impacts on the consolidated financial statements due to the translation of assets and liabilities of companies reporting in other currencies (translational risk). The management of currency risk consists mainly of its acceptance, given the limited 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 medium/long-term investments in local currencies, the profitability and cash flows of which are mainly expressed in that currency.

In the case of non-recurring 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.

At 31 December 2025, there are no exchange rate hedging derivatives.

### Derivative instruments used

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 agreed; 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 to hedge the exposure to financial risks existing at 31 December 2025 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, 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 amount 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 agreed on the wholesale energy market and measured at fair value as part of sales transactions with derivative financial instruments as a balancing-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.

#### Currency 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 year.

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 until, 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 year in the same year or years in which the hedged expected future cash flows have an effect on profit or loss for the year.

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 year.

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 entailing 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 year in the same year or in the same years in which the hedged expected future cash flows have an effect on profit or loss.

### Summary of derivative instruments used

The derivative instruments entered into by ERG, designed to hedge its exposure to commodity prices and interest rate risks, were as follows at 31 December 2025:

						31 December 2025	
	Notional amount				Fair Value (EUR million)		
	Maturity 1 year	Maturity from 1 year to 5 years	Maturity beyond 5 years	Total Nominal	Assets	Liabilities	
thousands of MWh							
<b>Management of commodity price risk</b>							
- Cash flow hedge	1,484	10,820	8,547	20,850	21.3	123.3	
<b>Total derivative instruments</b>					21.3	123.3	
- of which in hedging reserve					21.3	123.3	
- of which not in hedging reserve					0.0	0.0	

With reference to the impact of hedging derivatives on the comprehensive income, please refer to the **Statement of comprehensive income**.



## **NOTE 39 - GUARANTEES, COMMITMENTS AND RISKS**

### **Sureties given (EUR 39 million)**

These refer to the guarantees issued in favour of companies of the wind group, particularly Government Agencies, for restoration of the wind farm areas at the end of the electricity generation activity. The item also includes commercial Parent Company guarantees issued in favour of subsidiaries for the benefit of third-party suppliers.

### **Other Guarantees and commitments made (EUR 4 million)**

These are primarily commitments to suppliers, especially in the field of Information & Communication Technology for operating and capital account expenses to be incurred in the future already contracted for with the counterparty.

## VI. TAXATION

### NOTE 40 - INCOME TAXES

Current taxes are recognised based on an estimate of the liability for the year, taking into account the effects of participation in a tax consolidation scheme by most of the Group's companies.

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%;  
 United Kingdom 25%;  
 Romania 16%;  
 Poland 19%;  
 Bulgaria 15% (for groups subject to Pillar 2);  
 Spain 25%;  
 United States (Federal Tax + State Tax) 26.6% - 28.5%.

For details on **Deferred taxes**, reference is made to the comments in the following Notes.

(EUR thousand)	2025	2024
Current income taxes	51,590	51,578
Previous years taxes	(3,115)	2,159
Deferred tax assets and liabilities	(4,694)	15,463
Substitute tax	-	(27,511)
<b>Total</b>	<b>43,781</b>	<b>41,690</b>

It should be noted that in the comparative year, the items Current income taxes and Deferred tax assets and liabilities included, among others, the effects of the recognition of the substitute tax of 16% on the exemption of capital gains relating to the Siena and Donatello business combinations, which took place in 2022. The recognition had a positive impact on the Consolidated Financial Statements given the recognition of deferred tax assets and the release of deferred taxes, for EUR 64 million, on the various carrying amounts of goodwill aligned with their tax basis at the time of purchase price allocation.

Lastly, it should be noted that deferred tax assets include the positive effect of the tax losses transferred to the US Partner as part of the Tax Equity Partnership agreements for approximately EUR 11 million.

### NOTE 41 - CURRENT TAX ASSETS AND LIABILITIES

Current tax assets of EUR 30 million (EUR 22 million at 31 December 2024) mainly refer to advance payments on direct taxes for the year 2025. Current tax liabilities of EUR 17 million (EUR 35 million at 31 December 2024) mainly refer to tax liabilities on direct taxes for the year 2025.

### NOTE 42 - DEFERRED TAXATION

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

Pursuant to the accrual basis of accounting, the Consolidated Financial Statements include deferred tax assets and liabilities arising from temporary differences deriving from adjustments made to consolidated companies' financial statements to comply with the Group's accounting policies, as well as from temporary differences between the carrying amounts and related tax bases, and on unused tax losses.

Deferred tax assets are allocated when their future recovery is probable.

The recoverability of the temporary differences and of the tax losses is contextualised within the various expiry dates of the tax consolidation agreements. The quantitative limit of 80% does not apply for tax losses generated in the first three years from the incorporation of the company, provided that they refer to a new productive activity.

Deferred taxes are calculated on the basis of the tax rates expected to be in force in the periods in which the taxable and deductible temporary differences will be reversed.

**Deferred tax assets**, amounting to EUR 73 million (EUR 121 million at 31 December 2024), are determined by temporary differences relating mainly to amortisation, depreciation and impairment losses and provisions for risks and charges, and the carry-forward of tax losses. The Group considers it reasonably certain that the deferred tax assets recognised at 31 December 2025 will be recovered.

**Deferred tax liabilities**, amounting to EUR 210 million (EUR 278 million at 31 December 2024) refer in particular to temporary differences generated by Purchase Price Allocations of past and current acquisitions.

## VII. OTHER NOTES

### NOTE 43 - BUSINESS COMBINATIONS AND ASSET ACQUISITION

#### *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 and 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 years 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.

## VIII. OPERATING ASSETS HELD FOR SALE

On 20 January 2026, in line with the guidelines of the Business Plan, which provide for a geographical repositioning, ERG announced the signing and simultaneous closing of two significant transactions in Sweden and the United Kingdom as described in more detail in the **Directors' Report**. Specifically, with regard to Sweden, ERG, through its subsidiary ERG Power Generation S.p.A., has signed an agreement with Nordetic AB for the sale of the entire share capital of ERG Sweden Holding AB, owner of Furukraft AB, the company that owns the 62 MW Furuby wind farm located in Sweden.

The aforementioned disposal is presented in these Consolidated Financial Statements as "operating assets held for sale" in accordance with IFRS 5, as it is a geographical segment of operations that is being discontinued.

The consideration in terms of Enterprise Value was equal to EUR 70 million, including costs related to the sale of the asset.

In consideration of the above, in these Consolidated Financial Statements, the item **Net profit (loss) from assets held for sale** in the income statement therefore includes both for 2025 and for the comparative year 2024, the contribution to the income statement of the assets in Sweden. With regard to the statement of financial position figures, those relating to the assets and liabilities of the assets in Sweden held for sale are indicated separately, in application of the requirements of IFRS 5.

IFRS 5 requires that net assets held for sale be recognised at the lower of their carrying amount and fair value (enterprise value at 31 December 2025 equal to approximately EUR 71 million) less costs to sell. A comparison between this value and the net invested capital (equal to EUR 96 million at 31 December 2025) revealed an impairment of approximately EUR 26 million, which has already been reflected in these Consolidated Financial Statements. Costs to sell amounted to EUR 0.7 million.

### NOTE 44 - ASSETS AND LIABILITIES HELD FOR SALE

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

##### *Classification*

An entity must classify a non-current asset (or a disposal group) as held for sale, if its carrying amount will be recovered primarily through a sale transaction rather than through its continuing use.

Two criteria must be met:

- the asset must be available for immediate sale in its current condition subject only to terms that are usual and customary for sales of such assets (or disposal groups);
- the sale must be highly probable.

IFRS 5 establishes that if a non-current asset (or disposal group) is classified as held for sale, it must be measured, at the time of its initial recognition, at the lower of the carrying amount and the fair value less costs to sell.

Non-current assets are presented as "operating assets held for sale" when such assets have been discontinued or classified as held for sale:

- a) represent a separate major line of business or geographical segment;
- b) are a part of a single coordinated plan to dispose of a separate major line of business or geographical segment of operations; or
- c) are represented by a subsidiary acquired exclusively for resale.

### Intra-group transactions

In accordance with the provisions of IFRS 5, the Group has decided to eliminate intra-group items within income from continuing operations as it does not expect that in the future the Group's operating division will continue to operate with the division subject to disposal.

### Accounting policies

A non-current asset classified as held for sale and the assets of a disposal group classified as held for sale must be recognised separately from the other assets in the statement of financial position. The liabilities of a disposal group classified as held for sale must be presented separately from the other liabilities in the statement of financial position. These assets and liabilities must not be offset and shown in the financial statements as a net amount. An entity must not reclassify or re-present amounts previously classified as non-current assets, or as assets and liabilities belonging to disposal groups, classified as held for sale, in the statements of financial position of previous years presented for comparative purposes to align with the classification in the statement of financial position for the latest period reported.

The statement of financial position at 31 December 2025 is represented in accordance with the provisions of IFRS 5, indicating separately in the lines "Assets held for sale" and "Liabilities related to assets held for sale" the assets and liabilities relating to the operations in Sweden:

(EUR thousand)	Notes	31/12/2025 Sweden	31/12/2025 Intra-group transactions	31/12/2025 Total
<b>ASSETS</b>				
Authorisations and concessions	a	2,426	-	2,426
Property, plant and equipment	b	68,258	-	68,258
Right-of-use assets	c	3,239	-	3,239
Other non-current financial assets		308	-	308
Deferred tax assets		824	-	824
Other non-current assets	d	13,566	-	13,566
<b>Non-current assets</b>		<b>88,620</b>	<b>-</b>	<b>88,620</b>
Trade receivables		1,215	-	1,215
Current financial assets ERG Group vs Sweden	e	-	(20,022)	(20,022)
Cash and cash equivalents		10,000	-	10,000
<b>Current assets</b>		<b>11,215</b>	<b>(20,022)</b>	<b>(8,806)</b>
<b>Assets held for sale</b>		<b>(99,836)</b>	<b>20,022</b>	<b>(79,814)</b>
<b>LIABILITIES</b>				
Deferred tax liabilities		768	-	768
Provision for dismantling expenses		2,067	-	2,067
Financial liabilities measured at fair value	f	15,752	-	15,752
Non-current financial liabilities	e	20,022	-	20,022
Non-current financial liabilities ERG Group vs Sweden	e	-	(20,022)	(20,022)
Non-current lease liabilities	c	3,466	-	3,466
Other non-current liabilities		15	-	15
<b>Non-current liabilities</b>		<b>42,089</b>	<b>(20,022)</b>	<b>22,067</b>
Trade payables		982	-	982
Other current liabilities		74	-	74
Current tax liabilities		16	-	16
<b>Current liabilities</b>		<b>1,072</b>	<b>-</b>	<b>1,072</b>
<b>Liabilities associated with assets held for sale</b>		<b>(43,161)</b>	<b>20,022</b>	<b>(23,139)</b>

### Notes

- a) The carrying amount of authorisations and concessions recognised in the purchase price allocation, net of the impairment loss recorded in application of International Financial Reporting Standard IFRS 5;
- b) property, plant and equipment consist of the Furuby wind farm, operational in Sweden, with an installed capacity of approximately 62 MW;
- c) the carrying amount of right-of-use assets and the related financial liability recognised in accordance with Standard IFRS 16;
- d) mainly deferred income of EUR 12.4 million, equal to the positive fair value component estimated during the initial calibration of the VPPA

- e) valuation model signed for the Furuby wind farm, arising from the need to align the fair value at the time of signing to zero;
- e) intercompany balances mainly relate to financial assets of ERG Power Generation S.p.A. accrued towards ERG Sweden Holding AB, which is subject to disposal and, following the application of IFRS 5, are no longer eliminated on consolidation;
- f) the fair value component of the VPPA referred to in point d), including movements between the signing date and 31 December 2025

### Cash Flows

The following are the cash flows generated by operating activities held for sale:

(EUR thousand)	2025
<b>Opening cash and cash equivalents</b>	0
Cash flows from operating activities of assets held for sale	12,340
Cash flows from (used in) investing activities of assets held for sale	-
Cash flows (used in) financing activities of assets held for sale	(2,339)
<b>Cash and cash equivalents at the end of the year</b>	<b>10,000</b>

## NOTE 45 - LOSS FROM ASSETS HELD FOR SALE

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

In the income statement, the entity must indicate a single amount referring to the discontinued operations or to the asset held for sale. This amount will relate to the entire period and not the result from the time the component became a discontinued operation. An entity must

present Income Statement figures for previous periods presented in the Consolidated Financial Statements, so that the disclosure refers to all operations discontinued by the end of the most recent reporting year.

Below is the income statement for the years 2025 and 2024 of the assets held for sale in Sweden:

(EUR thousand)	Notes	2025	2024
Revenue	a	8,811	5,537
Other income		-	2,867
Purchases		-	-
Services and other operating costs	b	(3,750)	(2,838)
Personnel expense		-	-
<b>GROSS OPERATING PROFIT</b>		<b>5,061</b>	<b>5,566</b>
Amortisation of Intangible assets		(1,024)	(1,052)
Depreciation of property, plant and equipment and right-of-use assets		(2,444)	(2,421)
Impairment losses	c	(25,865)	(979)
<b>OPERATING PROFIT (LOSS)</b>		<b>(24,272)</b>	<b>1,114</b>
Financial income		-	14
Financial expense	d	(2,208)	(5,069)
<b>Net financial (expense)</b>		<b>(2,208)</b>	<b>(5,055)</b>
Net gains (losses) on equity-accounted investments		-	-
Other net gains (losses) on equity investments		-	969
<b>Net gains (losses) on equity investments</b>		<b>-</b>	<b>969</b>
<b>(LOSS) BEFORE TAXES</b>		<b>(26,480)</b>	<b>(2,971)</b>
Income taxes		(500)	749
<b>(LOSS) FROM ASSETS HELD FOR SALE</b>		<b>(26,981)</b>	<b>(2,223)</b>

### Notes

- a) Revenue consists of the sale to third parties of electricity generated by the 62 MW Furuby wind farm. The increase compared with the previous year is due to the wind farm reaching full operational capacity during the 2024 financial year;
- b) Services and other operating costs refer to maintenance costs, commercial expenses, costs for utilities and agreements for local authorities;
- c) This item refers to the impairment loss of approximately EUR 26 million recognised in view of the disposal finalised in January 2026, in application of Standard IFRS 5 (see following table);
- d) Financial expenses refer to the intercompany financing and centralised treasury arrangement between ERG Sweden Holding AB and ERG Power Generation S.p.A., which is no longer subject to elimination.

Details of the calculation of the aforementioned impairment loss are provided below.

(EUR thousand)	
a) Sale price of ERG Sweden Holding AB assets	70,850
b) Net invested capital of assets sold	96,031
<b>c) = a) - b) Difference between sale price and net invested capital of the asset sold</b>	<b>(25,181)</b>
d) Ancillary sales costs	(684)
<b>e) = c) + d) Total net impairment loss recognised following the sale</b>	<b>(25,865)</b>

## IX. OTHER NOTES

### NOTE 46 - BUSINESS COMBINATIONS

#### *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 and 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.*

#### **"Broken Cross" Business Combination**

On **16 January 2025**, ERG, through its subsidiary ERG UK Holding Ltd, finalised the agreement with BayWa r.e AG, a leading operator in the renewable energy sector, for the acquisition of 100% of the shares of BayWa r.e. UK (Jubilee) Limited, a company that owns Broken Cross Wind Farm Limited, which owns a 43.2-MW onshore wind farm in South Lanarkshire, Scotland.

The wind farm, which entered into operation in the fourth quarter of 2024, consists of nine Nordex N133 turbines, each with a capacity of 4.8 MW and benefits from a 15-year Contract for Difference (CfD) awarded in the AR4 auction, in line with the Group's revenue securitisation strategy. The annual production is estimated at approximately 120 GWh, equivalent to 46 kt of CO<sub>2</sub> emissions avoided each year, equal to the energy needs of over 28,000 households.

As per the press release of 28 December 2024, the enterprise value of the transaction was approximately GBP 60 million, with an equity value of approximately EUR 2 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 2025.

#### **Determination of the total acquisition price**

The acquisition consideration was EUR 2 million (GBP 2 million) for the acquisition of 100% of the share capital of the target companies, including deferred components of the acquisition consideration to be settled within 12 months. It should also be noted that a net financial indebtedness totalling EUR 62 million (GBP 50 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, mainly incurred in 2024. These costs were included in the Services and other operating costs item in the respective year.

#### **Measurement of the assets and liabilities of the business combination at the acquisition date**

The acquisition was recognised on a definitive basis; the fair values of the acquired assets were determined on the basis of the best estimate available at the preparation date of the Consolidated Financial Statements and are shown in the table below:

EUR thousand	Acquisition figures	Adjustment to the acquisition figures	Assets acquired and liabilities assumed
Authorisations and concessions	-	17,730	17,730
Property, plant and equipment	72,364	-	72,364
Right-of-use assets	2,391	-	2,391
Instruments measured at fair value	1,599	-	1,599
Deferred tax assets	-	5,201	5,201
<b>Non-current assets</b>	<b>76,354</b>	<b>22,931</b>	<b>99,285</b>
Trade receivables	3,038	-	3,038
Cash and cash equivalents*	1,295	-	1,295
<b>Current assets</b>	<b>4,333</b>	<b>-</b>	<b>4,333</b>
<b>TOTAL ASSETS</b>	<b>80,687</b>	<b>22,931</b>	<b>103,618</b>
Equity attributable to the owners of the parent	1,587	(2,380)	(793)
<b>Total Equity</b>	<b>1,587</b>	<b>(2,380)</b>	<b>(793)</b>
Deferred tax liabilities	2,839	4,433	7,271
Provision for dismantling expenses	768	-	768
Other non-current provisions	-	678	678
Instruments measured at fair value*	-	20,201	20,201
Non-current financial liabilities*	61,385	-	61,385
Non-current lease liabilities*	2,279	-	2,279
<b>Non-current liabilities</b>	<b>67,271</b>	<b>25,311</b>	<b>92,582</b>
Trade payables	10,127	-	10,127
Current financial liabilities*	1,591	-	1,591
Current lease liabilities*	112	-	112
<b>Current liabilities</b>	<b>11,829</b>	<b>-</b>	<b>11,829</b>
<b>TOTAL EQUITY AND LIABILITIES</b>	<b>80,687</b>	<b>22,931</b>	<b>103,618</b>
<b>*Impact on Net Financial Indebtedness</b>	<b>(64,071)</b>	<b>(20,201)</b>	<b>(84,272)</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 2025) of the acquirees expressed in accordance with the IFRS:

- **property, plant and equipment:** wind farm 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 expenses:** provisions for dismantling expenses accounted for as a balancing entry to the increase in the carrying amount of the asset;
- **non-current financial liabilities:** non-current 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 wind farm;
- **current financial liabilities:** Shareholder loan to ERG UK Holding Ltd.

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;
- **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 net value of the acquired assets and liabilities was recognised as goodwill, as illustrated in the following table:

(EUR thousand)	
Acquisition consideration (including deferred components)	2,305
Fair value of the acquired net assets	(793)
<b>Goodwill</b>	<b>3,098</b>

### Broken Cross contribution in 2025

The date of first consolidation (1 January 2025) corresponds to the opening date of these Consolidated Financial Statements; therefore, the acquired company fully contributed to the Group's Income Statement during the year with revenue of EUR 11 million, a gross operating profit of EUR 9 million, and a profit attributable to the owners of the parent of EUR 4 million.

### NOTE 47 - NON-RECURRING ITEMS

As required by CONSOB Communication no. DEM/6064293 of 28 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 Directors' Report.

Also pursuant to the aforementioned CONSOB resolution, the amounts related to the positions and transactions with related parties are indicated separately in **Note 45 – Related parties**.

(EUR thousand)		2025		2024
Revenue		-		-
Other income		(17)		(441)
Purchases		-		-
Change in inventories		-		-
Services and other operating costs	1)	(4,089)	7)	(250)
Personnel expense		-		-
Amortisation, depreciation and impairment losses on non-current assets	2)	(80,957)	8)	(14,371)
Net financial income (expense)	3)	2,251		-
Net gains (losses) on equity investments	4)	4,089	9)	(1,384)
Income taxes	5)	17,750	10)	31,823
<b>Profit from continuing operations (non-recurring items)</b>		<b>(60,972)</b>		<b>15,377</b>
Loss generated by non-recurring items from discontinued operations	6)	(26,981)	11)	(2,222)
<b>Profit (loss) generated by non-recurring items</b>		<b>(87,952)</b>		<b>13,155</b>
Non-controlling interests		-		-
<b>Profit (loss) generated by non-recurring items attributable to the owners of the parent</b>		<b>(87,952)</b>		<b>13,155</b>

In 2025:

- 1) the items include charges related to non-recurring transactions that have been completed, are in progress, or were unsuccessful, as well as the impact of the collection of positive items from previous financial years and the reversal of provisions relating to the Provision for disposed businesses;
- 2) the item includes the write-downs on photovoltaic farms in Spain following the impairment test, as well as certain assets undergoing repowering or revamping in Italy, Germany and France;
- 3) net financial income arising from the early termination of the Project Financings of the newly acquired UK company and of the French company C.E.P.E. Renouvellement Haut Cabardès, including the proceeds from the positive fair value of the related hedging derivatives, as part of Liability Management activities;
- 4) the item includes a positive purchase price adjustment accrued in the 2025 financial year in relation to the disposal of the thermoelectric business;
- 5) the item includes the tax impact of the items commented on above;
- 6) the item refers to the profit or loss of the Sweden business, which includes the impairment loss of approximately EUR 26 million recognised in view of the disposal finalised in January 2026, in application of Standard IFRS 5.

In 2024:

- 7) ancillary charges related to completed, ongoing or failed extraordinary transactions and reversal of Provisions for disposed businesses;
- 8) mainly charges related to certain Repowering and Revamping projects in Italy already impaired in the previous year;
- 9) losses on equity investments mainly refer to a price adjustment on the sale of equity investments related to disposed businesses and to impairment losses on equity investments not consolidated on a line-by-line basis;
- 10) 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 2024, as well as the tax effect of the items commented above;
- 11) the item refers to the 2024 profit or loss of the Sweden business, reclassified under "Operating assets held for sale".

## NOTE 48 - RELATED PARTIES

The transactions carried out by ERG Power Generation with related parties pertain mainly to:

- the exchange of goods, the performance of services, the provision and use of financing;
- the provision and use of financing with respect to the parent company ERG S.p.A.

	Other income	Services and other costs	Financial income
ERG S.p.A.	81	39,119	906
Directors and Statutory Auditors	-	733	-
<b>TOTAL</b>	<b>81</b>	<b>39,852</b>	<b>906</b>

	Trade receivables	Current financial assets	Trade payables	Other current liabilities
ERG S.p.A.	26	120,011	46,730	9,832
Directors and Statutory Auditors			159	
<b>TOTAL</b>	<b>26</b>	<b>120,011</b>	<b>46,889</b>	<b>9,832</b>

## NOTE 49 - LIST OF GROUP COMPANIES AND TRANSACTIONS OF THE YEAR

The transactions that took place during the year regarding equity investments are reported below:

- On 29 January 2025, the British company Baywa R.E. UK (Jubilee) Limited, which was recently acquired, changed its name to Broken Cross Wind Farm Holding Ltd;
- on 19 May 2025, the French company PARC AGRIVOLTAÏQUE DES BELUETS SAS was established, with registered office in Paris, 16 boulevard Montmartre, share capital of EUR 7,500, fully subscribed by ERG France Holding SAS;
- on 31 July 2025, the French company CENTRALE PHOTOVOLTAÏQUE DU PLA D'ALZAU SAS was established, with registered office in Paris, 16 boulevard Montmartre, Paris Trade and Companies Register number 989 748 587, share capital of EUR 7,500, fully subscribed by ERG France Holding SAS;
- on 2 and 22 September 2025, respectively, the mergers of the German companies UGE Barkow Zwei GmbH & Co. KG Umweltgerechte Energie and UGE Barkow Drei GmbH & Co. KG Umweltgerechte Energie, into UGE Barkow GmbH & Co. KG Umweltgerechte Energie ("Merging Company") were completed. Following the mergers, the Merging Company increased its share capital from EUR 1,000 to EUR 3,000. The accounting and tax effects of the merger take effect on 1 January 2025;
- on 7 November 2025, the withdrawal agreement of ERG Wind Neunte GmbH, in its capacity as General Partner of voltwerk Energy Park 8 GmbH & Co. KG (the "Company"), from the relevant partnership agreement with ERG Windpark Beteiligungs GmbH (the "Limited Partner") was registered with the competent Companies Register. As a result, with effect from 31 October 2025, the Company was dissolved and the Limited Partner took over all of the Company's legal rights and obligations.
- on 9 February 2026, the deed of cross-border merger of ERG Hamburg Holding GmbH into ERG Spain Holdco S.L.U., executed on 23 December 2025 and filed on 24 December 2025, was registered with the competent Register of Companies of Madrid. The mergers took effect from 24 December 2025, while accounting and tax effects apply as from 1 January 2025. Consequently, as from 24 December 2025, ERG Hamburg Holding GmbH was dissolved, its corporate bodies ceased to hold office, all powers of attorney granted in its name terminated, and ERG Spain Holdco S.L.U. succeeded by universal succession to all the assets and liabilities of ERG Hamburg Holding GmbH.

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 Power Generation S.p.A.</b>						
Corni Eolian S.A.	Constanța (Romania)	100%	100%	RON	95,679	313,524
ERG Eolica Adriatica S.r.l.	Genoa (Italy)	100%	100%	EUR	10	78,191
ERG Eolica Campania S.r.l.	Genoa (Italy)	100%	100%	EUR	120	62,844
ERG Eolica Faeto S.r.l.	Genoa (Italy)	100%	100%	EUR	10	10,418
ERG Eolica Fossa del Lupo S.r.l.	Genoa (Italy)	100%	100%	EUR	50	114,234
ERG Eolica Ginestra S.r.l.	Genoa (Italy)	100%	100%	EUR	10	43,008
ERG Eolica San Vincenzo S.r.l.	Genoa (Italy)	100%	100%	EUR	3,500	28,057
ERG Eolica Tirreno S.r.l.	Genoa (Italy)	100%	100%	EUR	10	216
<b>ERG France Holding S.a.s.</b> <sup>(2)</sup>	Paris (France)	100%	100%	EUR	209,551	243,186
<b>ERG UK Holding Ltd</b> <sup>(2)</sup>	Edinburgh (UK)	100%	100%	GBP	0	34,500
<b>ERG Wind Bulgaria S.r.l.</b> <sup>(2)</sup>	Genoa (Italy)	100%	100%	EUR	50	21,077
<b>ERG Wind Investments S.r.l.</b> <sup>(2)</sup>	Genoa (Italy)	100%	100%	EUR	97,046	475,204
<b>ERG Windpark Beteiligungs GmbH</b> <sup>(2)</sup>	Hamburg (Germany)	100%	100%	EUR	25	(13,842)
ERG Wind Neunte GmbH	Hamburg (Germany)	100%	100%	EUR	25	118
<b>EW Ormeta 2 sp. z o.o.</b> <sup>(2)</sup>	Warsaw (Poland)	100%	100%	PLN	164,688	215,731
Green Vicari S.r.l.	Genoa (Italy)	100%	100%	EUR	119	16,793
<b>ERG Solar Holding S.r.l.</b> <sup>(2)</sup>	Genoa (Italy)	100%	100%	EUR	20	122,351
ISAB Energy Solare S.r.l.	Genoa (Italy)	100%	100%	EUR	100	150
Andromeda PV S.r.l.	Genoa (Italy)	100%	79%	EUR	50	64,385
<b>ERG Poland Holding Sp. z o.o.</b> <sup>(2)</sup>	Warsaw (Poland)	100%	100%	PLN	10	26,759
<b>ERG Sweden Holding AB</b> <sup>(2)</sup>	Stockholm (Sweden)	100%	100%	SEK	50	64,321
<b>ERG Spain Holco S.L.U.</b> <sup>(2)</sup>	Madrid (Spain)	100%	100%	EUR	4	79,752
Ginestra S.r.l.	Genoa (Italy)	100%	100%	EUR	20	45,436
Breva Wind S.r.l.	Genoa (Italy)	100%	100%	EUR	7,100	449,420
ERG Sviluppo Italia S.r.l.	Genoa (Italy)	100%	100%	EUR	20	177
<b>ERG USA Holding, Inc.</b> <sup>(2)</sup>	Wilmington, DE (USA)	100%	100%	USD	0	275,392

(1) Data referring to the latest approved financial statements, unless otherwise indicated.

(2) The companies exercise the right not to prepare consolidated financial statements in accordance with local regulations in force.

	Registered office	Direct investment	Group's investment	Currency ('000)	Share Capital <sup>(1)</sup>	Equity <sup>(1)</sup>
<b>ERG France Holding S.a.s.</b>						
Eoliennes du Vent Solaire S.a.s.	Paris (France)	100%	100%	EUR	37	1,245
Parc Eolien de Lihus S.a.s.	Paris (France)	100%	100%	EUR	1,114	2,292
Parc Eolien de Hetomesnil S.a.s.	Paris (France)	100%	100%	EUR	1,114	2,213
Parc Eolien de la Bruyère S.a.s.	Paris (France)	100%	100%	EUR	1,060	2,559
Parc Eolien du Carreau S.a.s.	Paris (France)	100%	100%	EUR	861	2,281
Parc Eolien les Mardeaux S.a.s.	Paris (France)	100%	100%	EUR	1,097	2,422
<b>ERG Energies Renouvelables S.a.S.</b>	Paris (France)	100%	100%	EUR	500	2,766
Parc Eolien de la vallée de Torfou S.a.s.	Paris (France)	100%	100%	EUR	8	2,872
Parc Eolien du Melier S.a.r.l.	Paris (France)	100%	100%	EUR	8	350
Parcs Eoliens des Terres Blanches S.a.s.	Paris (France)	100%	100%	EUR	876	4,140
ERG Wind French Holdings S.a.s.	Paris (France)	100%	100%	EUR	1,410	4,867
<b>ERG Wind France 1 S.a.s.</b>	Paris (France)	100%	100%	EUR	1,097	16,799
<b>WP France 10 S.a.s.</b>	Paris (France)	100%	100%	EUR	6	(1,087)
WP France 6 S.a.s.	Paris (France)	100%	100%	EUR	6	3,670
ERG France S.a.r.l.	Paris (France)	100%	100%	EUR	2,000	(10,951)
Les Moulins de Fruges SAS	Paris (France)	100%	100%	EUR	42,100	24,709
<b>Ferme Eolienne De Saint Pierre De Maillé 1 S.a.s.</b>	Paris (France)	100%	100%	EUR	5,639	3,877
Parc Eolien de St Riquier 3 S.a.s.	Paris (France)	100%	100%	EUR	37	974
Parc Eolien de St Riquier 4 S.a.s.	Paris (France)	100%	100%	EUR	37	535
Holding Quesnoy 2 S.a.s.	Paris (France)	100%	100%	EUR	2,810	1,061
<b>Holding Chery S.a.s.</b>	Paris (France)	100%	100%	EUR	2,410	435
<b>Omniwatt S.a.s.</b>	Paris (France)	100%	100%	EUR	2,201	(7,681)
<b>Ferme Eolienne de Moquepanier S.a.s.</b>	Paris (France)	100%	100%	EUR	2,519	(4,659)
Ferme Eolienne de Clamecy S.a.s.	Paris (France)	100%	100%	EUR	2,000	2,483
Crampon Puchot Energies S.a.s.	Paris (France)	100%	100%	EUR	1,091	252
<b>Solaires Sisteron S.a.s.</b>	Paris (France)	100%	100%	EUR	334	(1,714)
Solaire Sénézergues S.a.s.	Paris (France)	100%	100%	EUR	0	(1,312)



Solaire Arpajon-sur-Cere S.a.s.	Paris (France)	100%	100%	EUR	451	(1,685)
Arsac 1 S.a.s.	Paris (France)	100%	100%	EUR	0	(1,600)
Arsac 3 S.a.s.	Paris (France)	100%	100%	EUR	1	(2,407)
Solaire Greoux S.a.s.	Paris (France)	100%	100%	EUR	0	(2,222)
Solaire Salaunes S.a.s.	Paris (France)	100%	100%	EUR	0	(2,069)
<b>C.E.P.E. Renouvellement Haut Cabardès S.a.s.</b>	Paris (France)	100%	100%	EUR	12,803	12,749

**ERG Energies Renouvelables S.a.S.**

ERG Developpement France S.a.s.	Paris (France)	100%	100%	EUR	100	(7,748)
Caen Renewables Energy S.a.s. (en liquidation)	Paris (France)	100%	100%	EUR	0	-
Parc Eolien de la Charente Limousine S.a.r.l.	Paris (France)	100%	100%	EUR	8	(112)
Parc Eolien de la Boeme S.a.r.l.	Paris (France)	100%	100%	EUR	8	(134)
Parc Eolien du Moulin du Bois S.a.r.l.	Paris (France)	100%	100%	EUR	8	(878)
Parc Eolien des Bouchats S.a.r.l.	Paris (France)	100%	100%	EUR	8	(1,681)
Parc Eolien de Saint Maurice la Clouere S.a.r.l.	Paris (France)	100%	100%	EUR	8	(519)
Parc Eolien du Pays a Part S.a.r.l.	Paris (France)	100%	100%	EUR	8	(523)
Parc Eolien de Saint Sulpice S.a.r.l.	Paris (France)	100%	100%	EUR	8	(154)
Parc Eolien du Plateaux de l'Ajoux S.a.r.l.	Paris (France)	100%	100%	EUR	8	(63)
Parc Eolien des Terres et Vents de Ravieres S.a.r.l.	Paris (France)	100%	100%	EUR	8	(69)
Parc Eolien de Porspoder S.a.r.l.	Paris (France)	100%	100%	EUR	8	(96)

**ERG Solar Holding S.r.l.**

Calabria Solar S.r.l.	Genoa (Italy)	100%	100%	EUR	10	45,214
ERG Solar Piemonte 3 S.r.l.	Genoa (Italy)	100%	100%	EUR	10	22,662

**ERG UK Holding Ltd**

Craigmore Energy Limited	Belfast (UK)	100%	100%	GBP	0	(2,939)
Creag Riabhach Wind Farm Ltd	Edinburgh (UK)	100%	100%	GBP	50	(4)
Evisshagan Windfarm LTD	Belfast (UK)	100%	100%	GBP	0	(4,298)
Sandy Knowe Wind Farm LTD	London (UK)	100%	100%	GBP	0	(2,319)
Corlacky Energy LTD	Belfast (UK)	100%	100%	GBP	0	(125)
Broken Cross Wind Farm Holding Ltd	London (UK)	100%	100%	GBP	0	13,641

(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>Broken Cross Wind Farm Holding Ltd</b>						
Broken Cross Wind Farm Limited	Edinburgh (UK)	100%	100%	EUR	0	(333)

**ERG Wind Bulgaria S.r.l.**

Globo Energy EOOD	Sofia (Bulgaria)	100%	100%	BGN	4,379	11,983
K&S Energy EOOD	Sofia (Bulgaria)	100%	100%	BGN	3,179	8,440
K&S Energy 1 EOOD	Sofia (Bulgaria)	100%	100%	BGN	3,023	10,959
K&S Energy 2 EOOD	Sofia (Bulgaria)	100%	100%	BGN	3,051	11,214
Mark 1 EOOD	Sofia (Bulgaria)	100%	100%	BGN	4,113	12,045
Mark 2 EOOD	Sofia (Bulgaria)	100%	100%	BGN	4,113	11,389
VG-1 EOOD	Sofia (Bulgaria)	100%	100%	BGN	1,520	4,767
VG-2 EOOD	Sofia (Bulgaria)	100%	100%	BGN	3,034	9,865
VG-3 EOOD	Sofia (Bulgaria)	100%	100%	BGN	3,057	9,838
VG-4 EOOD	Sofia (Bulgaria)	100%	100%	BGN	2,955	12,058
VG-5 EOOD	Sofia (Bulgaria)	100%	100%	BGN	3,059	10,190
VG-6 EOOD	Sofia (Bulgaria)	100%	100%	BGN	3,023	9,554
Wind Park Kavarna East EOOD	Sofia (Bulgaria)	100%	100%	BGN	505	7,406
Wind Park Kavarna West EOOD	Sofia (Bulgaria)	100%	100%	BGN	175	7,655
WP Bulgaria 4 EOOD	Sofia (Bulgaria)	100%	100%	BGN	2,157	6,025

**ERG Wind France 1 S.a.s.**

Cepe de Montbeliard S.a.s.	Paris (France)	100%	100%	EUR	365	2,127
Cepe de Murat S.a.s.	Paris (France)	100%	100%	EUR	444	3,375
Cepe de Saint Florentin S.a.s.	Paris (France)	100%	100%	EUR	251	1,316
Ferme Eolienne de Teterchen S.a.s.	Paris (France)	100%	100%	EUR	100	856
Parc Eolien du Bois de l'Arche S.a.s.	Paris (France)	100%	100%	EUR	100	1,932
Parc Eolien du Bois de Bigot S.a.s.	Paris (France)	100%	100%	EUR	80	1,408

**ERG Wind French Holdings S.a.s.**

Parc Eolien de la Chaude Vallee S.a.r.l.	Paris (France)	100%	100%	EUR	8	1,715
Parc Eolien de Morvillers S.a.r.l.	Paris (France)	100%	100%	EUR	8	1,174
Parc Eolien de Garcelles-Sacqueville S.a.s.	Paris (France)	100%	100%	EUR	1,037	1,287
Parc Eolien du Patis S.a.s.	Paris (France)	100%	100%	EUR	1,164	2,702
Parc Eolien Hauts Moulins S.a.r.l.	Paris (France)	100%	100%	EUR	15	1,227
Parc Eolien Moulins des Champs S.a.r.l.	Paris (France)	100%	100%	EUR	15	1,126
Parc Eolien de St Riquier 1 S.a.s.	Paris (France)	100%	100%	EUR	37	692



SAS Société d'Exploitation du Parc Eolien de la Souterraine	Paris (France)	100%	100%	EUR	505	(91)
Parc Eolien de Oyré Saint Sauveur S.a.s.	Paris (France)	100%	100%	EUR	37	26
Société d'Exploitation du Parc Eolien Le Nouvion S.a.s.	Paris (France)	100%	100%	EUR	37	(4,599)
<b>ERG Wind Investments S.r.l.</b>						
<b>ERG Wind Holdings (Italy) S.r.l.</b>	Genoa (Italy)	100%	100%	EUR	212	172,187
<b>ERG Wind MEI 2-14-1 Limited</b>	London (UK)	100%	100%	EUR	0	(4,305)
<b>ERG Wind MEI 2-14-2 Limited</b>	London (UK)	100%	100%	EUR	0	(625)
<b>ERG Wind Holdings (Italy) S.r.l.</b>						
ERG Wind Energy S.r.l. <sup>(3)</sup>	Genoa (Italy)	66%	100%	EUR	1,525	386,505
ERG Wind Sardegna S.r.l.	Genoa (Italy)	100%	100%	EUR	77	77,649
<b>ERG Wind Sicilia 6 S.r.l.</b>	Genoa (Italy)	100%	100%	EUR	77	46,266
<b>ERG Wind Sicilia 6 S.r.l.</b>						
ERG Wind 6 S.r.l.	Genoa (Italy)	100%	100%	EUR	77	35,965
ERG Wind Sicilia 3 S.r.l.	Genoa (Italy)	100%	100%	EUR	77	19,869
<b>ERG Wind MEI 2-14-1 Limited</b>						
ERG Wind MEG 1 LLP <sup>(2)</sup>	London (UK)	80%	100%	EUR	-	13,414
ERG Wind MEG 2 LLP <sup>(2)</sup>	London (UK)	80%	100%	EUR	-	9,637
ERG Wind MEG 3 LLP <sup>(2)</sup>	London (UK)	80%	100%	EUR	-	9,801
ERG Wind MEG 4 LLP <sup>(2)</sup>	London (UK)	80%	100%	EUR	-	7,981

(1) Data referring to the latest approved financial statements.

(2) The remaining 20% is held by ERG Wind MEI 2-14-2.

(3) The remaining 34% is held 24.2880% by ERG Wind Sardegna S.r.l., 9.1948% by ERG Wind 6 S.r.l., 0.7217% by ERG Wind Sicilia 3 S.r.l. and 0.2118% by ERG Wind Sicilia 6 S.r.l.

	Registered office	Direct investment	Group's investment	Currency ('000)	Share Capital <sup>(1)</sup>	Equity <sup>(1)</sup>
<b>ERG Windpark Beteiligungs GmbH</b>						
ERG Wind 117 GmbH & Co. KG	Hamburg (Germany)	100%	100%	EUR	1	(2,053)
Voltwerk Windpark Worbzig GmbH & Co. KG	Hamburg (Germany)	100%	100%	EUR	0	5,352
Voltwerk Windpark Beesenstedt GmbH & Co. KG	Hamburg (Germany)	100%	100%	EUR	1	8,308
Windpark Cottbuser Halde GmbH & Co. KG	Hamburg (Germany)	100%	100%	EUR	5	(5,210)
Windpark Achmer Vinte GmbH & Co. KG RENDITEFONDS	Hamburg (Germany)	100%	100%	EUR	7,500	12,180
ERG Wind Weselberg GmbH & Co. KG	Hamburg (Germany)	100%	100%	EUR	14	17,787
Windpark Linda GmbH & Co. KG	Hamburg (Germany)	100%	100%	EUR	2	1,586
ERG Development Germany GmbH & Co. KG	Hamburg (Germany)	100%	100%	EUR	3	(626)
UGE Barkow GmbH & und Co. KG UMWELTGERECHTE ENERGIE	Hamburg (Germany)	100%	100%	EUR	3	(1,660)
ERG Germany GmbH	Hamburg (Germany)	100%	100%	EUR	210	571
ERG Wind Ebersgrun GmbH & Co. KG	Hamburg (Germany)	100%	100%	EUR	10	(6,042)
ERG Wind Hollige GmbH & Co. KG	Hamburg (Germany)	100%	100%	EUR	10	(8,002)
ERG Wind Norath GmbH & Co. KG	Hamburg (Germany)	100%	100%	EUR	10	(5,520)
ERG Wind Erbes Büdesheim GmbH & Co. KG	Hamburg (Germany)	100%	100%	EUR	10	(11,201)
ERG Windpark Aukrug GmbH & Co. KG	Hamburg (Germany)	100%	100%	EUR	5	(565)
ERG Windpark Reinsdorf GmbH & Co. KG	Hamburg (Germany)	100%	100%	EUR	5	(30)
<b>ERG Windpark Heyen GmbH &amp; Co. KG</b>	Hamburg (Germany)	100%	100%	EUR	5	(115)
ERG Windpark Bokel GmbH & Co. KG	Hamburg (Germany)	100%	100%	EUR	5	(117)
ERG Windpark Jeggeleben GmbH & Co. KG	Hamburg (Germany)	100%	100%	EUR	5	(17)
ERG Wind Brunsbüttel GmbH & Co. KG	Hamburg (Germany)	100%	100%	EUR	5	5
ERG Wind Beckedorf GmbH & Co. KG	Hamburg (Germany)	100%	100%	EUR	5	5
ERG Windpark Jeggeleben GmbH & Co. KG	Amburgo (Ger.)	100%	100%	EUR	5	5
<b>ERG Wind Erbes Büdesheim GmbH &amp; Co. KG</b>						
Infrastrukturgesellschaft Erbes-Büdesheim GmbH & Co. KG <sup>(2)</sup>	Hamburg (Germany)	43%	78% <sup>(2)</sup>	EUR	3	(2)
<b>EW Ormeta 2 sp z o.o.</b>						
ERG Wind Słupia sp. z o.o.	Warsaw (PL)	100%	100%	PLN	7,100	100,842
ERG Wind Szydłowo sp. z o.o.	Warsaw (PL)	100%	100%	PLN	42	67,082
<b>Les Moulins de Fruges SAS</b>						
PARCS EOLIENS DE FRUGES SARL	Paris (France)	100%	100%	EUR	1,891	7,571
<b>Holding Chéry S.A.S.</b>						
Ferme Eolienne De Chery S.a.a.	Paris (France)	100%	100%	EUR	37	639
<b>Holding Quesnoy 2 S.a.s.</b>						
Ferme Eolienne De Quesnoy-Sur-Airaines 2 S.a.s.	Paris (France)	100%	100%	EUR	37	780
<b>ERG Poland Holding</b>						
EW Piotrków Kujawski sp z o.o.	Warsaw (PL)	100%	100%	PLN	5	(10,360)
Łaszki Wind sp. z o.o.	Warsaw (PL)	100%	100%	PLN	5	3,509



<b>ERG Sweden Holding AB</b>						
Furukraft AB	Stockholm (Sweden)	100%	100%	SEK	50	44,489
<b>Omnivatt S.a.s.</b>						
<b>Omnigreen S.a.s.</b>						
Les Eoliennes De Saint Fraigne S.a.s.	Paris (France)	100%	100%	EUR	4,759	8,302
Neully Saint Front Energies S.a.s.	Paris (France)	100%	100%	EUR	3,700	4,543
Monnes Energies S.a.r.l.	Paris (France)	100%	100%	EUR	37	(963)
Saint Congard Energies S.a.s.	Paris (France)	100%	100%	EUR	1	(1,161)
					2	(1,588)
<b>Omnigreen S.a.s.</b>						
Sainte Helene Energies S.a.r.l.	Paris (France)	100%	100%	EUR	1	(4,991)
ERG Solar Colombelles S.a.r.l.	Paris (France)	100%	100%	EUR	1	(2,398)
Reuilly et Diou Energies S.a.r.l.	Paris (France)	100%	100%	EUR	601	2,130
<b>Crampon Puchot Energies S.a.s.</b>						
Wkn Pikardie Verte II S.a.s.	Paris (France)	100%	100%	EUR	1	(5,573)

(1) Data referring to the latest approved financial statements.

(2) The remaining 34.52% is held by the subsidiary ERG Wind Nack GmbH &amp; Co. KG and 22.36% by a third party company.

	Registered office	Direct investment	Group's investment	Currency ('000)	Share Capital <sup>(1)</sup>	Equity <sup>(1)</sup>
<b>C.E.P.E. Renouveau Haut Cabardès S.a.s.</b>						
C.E.P.E DU SOULEILLA S.a.r.l.	Paris (France)	100%	100%	EUR	8	(5,080)
Chaume-Solar S.a.r.l.	Paris (France)	100%	100%	EUR	60	(3,006)
C.P.E.S MAS D'EN RAMIS S.a.s.	Paris (France)	60%	60%	EUR	2,375	1,879
C.P.E.S LA BREDE S.a.s.	Paris (France)	57%	57%	EUR	1,053	720
<b>ERG Spain Holco S.L.U.</b>						
ERG Solar Almansa S.L.U.	Madrid (Spain)	100%	100%	EUR	3	25,296
ERG Solar Tabernas S.L.U.	Madrid (Spain)	100%	100%	EUR	3	12,308
ERG Solar Fregenal de la Sierra S.L.U.	Madrid (Spain)	100%	100%	EUR	3,000	2,348
ERG Solar Montiel S.L.U.	Madrid (Spain)	100%	100%	EUR	3	277
ERG Solar El Abuelito S.L.U.	Madrid (Spain)	100%	100%	EUR	3	278
ERG Solar Buena Ventura S.L.U.	Madrid (Spain)	100%	100%	EUR	3	474
Garnacha Solar S.L.U.	Madrid (Spain)	100%	100%	EUR	31	52,820
<b>ERG USA Holding, Inc.</b>						
<b>Project Pinnacle I, LLC</b>						
	Wilmington, DE (USA)	75%	75%	USD	0	121,907
<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	29,492
<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	31,030
Mulligan Solar, LLC	Wilmington, DE (USA)	100%	75%	USD	102,989	65,886
<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	121,729
<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	358,170

(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) The company 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 31/12/2025
<b>Garnacha Solar S.L.U.</b>							
Toro Renovables 400 KV S.L.U. <sup>(2)</sup>	Madrid (Spain)	23.69%	23.69%	EUR	3	1,647	390
<b>Associates</b>							390

(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%.

It should be noted that the company shown in this section is not consolidated on a line-by-line basis as the Group holds only a minority interest and does not exercise control within the meaning of IFRS 10. The analysis conducted pursuant to the standard did not reveal the presence of legal control, or de facto control, or substantial rights such as to attribute to the Group the power to direct the relevant activities.

**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 31/12/2025
<b>ERG S.p.A.</b>							
ERG Petroleos S.A. <sup>(2)</sup>	Madrid (Spain)	100%	100%	EUR	3,050	(7,805)	-
<b>Subsidiaries</b>							-
<b>ERG Power Generation S.p.A.</b>							
ERG Germany Verwaltungs GmbH <sup>(3)</sup>	Hamburg (Germany)	100%	100%	EUR	25	25	25
Eolico Troina S.r.l. in liquidation <sup>(2)</sup>	Palermo (Italy)	99%	99%	EUR	20	250	25
<b>Subsidiaries</b>							50
<b>ERG France Holding SAS</b>							
Parc Eolien de Saint-Loup sur Cher S.a.r.l. <sup>(3)</sup>	Paris (France)	100%	100%	EUR	8	(3)	8
Parc Eolien du Puits Gergil S.a.r.l. <sup>(3)</sup>	Paris (France)	100%	100%	EUR	8	(3)	8
Parc Eolien du Plateau de la Perche S.a.r.l. <sup>(3)</sup>	Paris (France)	100%	100%	EUR	8	(3)	8
Parc Eolien des Boules S.a.r.l. <sup>(3)</sup>	Paris (France)	100%	100%	EUR	8	(3)	8
Ferme Eolienne de la voie Sacrée Sud S.a.s. <sup>(3)</sup>	Paris (France)	100%	100%	EUR	10	(72)	10
Parc Eolien Des Grandes Bornes S.a.s. <sup>(3)</sup>	Paris (France)	100%	100%	EUR	8	8	8
Parc Eolien Des Jonquilles S.a.s. <sup>(3)</sup>	Paris (France)	100%	100%	EUR	8	8	8
Parc Eolien De La Plaine Du Burel S.a.s. <sup>(3)</sup>	Paris (France)	100%	100%	EUR	8	8	8
Parc Eolien de Saint Priest en Murat S.a.s. <sup>(3)</sup>	Paris (France)	100%	100%	EUR	8	8	8
Parc Eolien de Vent Communaux S.a.s. <sup>(3)</sup>	Paris (France)	100%	100%	EUR	8	8	8
Parc Eolien de la Foye S.a.s. <sup>(3)</sup>	Paris (France)	100%	100%	EUR	8	8	8
Parc Photovoltaïque de la Vallée de la Doulaye SAS <sup>(3)</sup>	Paris (France)	100%	100%	EUR	8	8	8
Parc Eolien des Six Chemins S.a.s. <sup>(3)</sup>	Paris (France)	100%	100%	EUR	8	8	8
Parc Photovoltaïque de la Vallée Brousse S.a.s. <sup>(3)</sup>	Paris (France)	100%	100%	EUR	8	8	8
Central Photovoltaïque des Grandes Bruyères S.a.s. <sup>(3)</sup>	Paris (France)	100%	100%	EUR	8	8	8
Solaires ERG 1 S.a.s. <sup>(3)</sup>	Paris (France)	100%	100%	EUR	8	8	8
Parc Agrivoltaïque des Beluets SAS <sup>(3)</sup>	Paris (France)	100%	100%	EUR	8	8	8
Central Photovoltaïque du Pla d'Alzau SAS <sup>(3)</sup>	Paris (France)	100%	100%	EUR	8	8	8
<b>Subsidiaries</b>							146
<b>ERG Windpark Beteiligungs GmbH</b>							
ERG Windpark Bischhausen GmbH & Co. KG <sup>(3)</sup>	Hamburg (Germany)	100%	100%	EUR	5	5	5
<b>Subsidiaries</b>							5
<b>Voltwerk Windpark Wörbzig GmbH &amp; Co. KG</b>							
Netzbetrieb Windpark Wörbzig GbR <sup>(3)</sup>	Hamburg (Germany)	32%	32%	EUR	2	0	-
<b>Subsidiaries</b>							-
<b>ERG Solar Holding S.r.l.</b>							
Fattoria Solare Futurasun S.r.l. <sup>(3)</sup>	Genoa (Italy)	100%	100%	EUR	10	104	90
<b>Subsidiaries</b>							90

**ERG UK Holding Ltd**

High Cairn Wind Farm Limited <sup>(1)</sup>	Edinburgh (UK)	100%	100%	GBP	0	0	-
Creggan Wind Farm Limited <sup>(2)</sup>	London (UK)	100%	100%	GBP	0	0	-
Longburn Wind Farm Limited <sup>(3)</sup>	London (UK)	100%	100%	GBP	0	0	-

**Subsidiaries****ERG Spain Holco S.L.U.**

REN BETA I, S.L.U. <sup>(3)</sup>	Madrid (Spain)	100%	100%	EUR	3	44	-
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**Subsidiaries**

- (1) Data referring to the latest approved financial statements.  
(2) Company in liquidation.  
(3) Companies measured at cost as they are not yet operational.

## NOTE 50 - IFRS ACCOUNTING STANDARDS, AMENDMENTS AND INTERPRETATIONS APPLIED STARTING ON 1 JANUARY 2025

As from 1 January 2025, the following standards, interpretations and amendments to existing standards, in relation to which no significant effects on the Consolidated Financial Statements are reported, have become applicable.

- Amendments to IAS 21: Lack of Exchangeability.

## NOTE 51 - IFRS AND IFRIC ACCOUNTING STANDARDS, AMENDMENTS AND INTERPRETATIONS, PUBLISHED BUT NOT YET ADOPTED EARLY BY THE GROUP AT 31 DECEMBER 2025

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 2026 and for which earlier application is allowed. However, the Group has decided not to adopt them in advance for the preparation of these Consolidated Financial Statements.

Entry into force	Description	Issue date	Approved
1 January 2026	Amendments to IFRS 9 and IFRS 7 "Classification and Measurement of Financial Instruments"	30 May 2024	Yes
	Amendments to IFRS 9 and IFRS 7 "Contracts Referencing Nature-dependent Electricity"	18 December 2024	Yes
	Volume 11 of the Project "Annual improvements to IFRS Accounting Standards" on improving the clarity and internal consistency of the adopted accounting standards	18 July 2024	Yes
1 January 2027	IFRS 18 "Presentation and Disclosure in Financial Statements"	9 April 2024	Yes
	IFRS 19 "Subsidiaries without Public Accountability: Disclosures"	9 May 2024	No

Any impacts of the aforesaid standards are currently being assessed.

## NOTE 52 - OTHER INFORMATION

No atypical and/or unusual transactions took place during the year. Atypical and/or unusual transactions are those transactions that due to their significance/relevance, nature of the counterparties, subject of the transaction, procedures for determining the transfer price and timeframe of the event (proximity to the end of the year) can give rise to doubts with regard to: the correctness/completeness of the information in the Consolidated Financial Statements, conflicts of interest, wealth preservation and the protection of non-controlling interests. No advances were provided and there are no receivables from directors and statutory auditors of the parent for the performance of their duties also in other companies included in the consolidation scope.

### Disclosure obligations pertaining to Italian Law no. 124/2017 of 4 August 2017

Article 1, paragraphs 125-129 of Italian Law no. 124 of 4 August 2017 introduced the obligation for companies that receive grants from public administrations to publish the amounts received in their Notes to the Separate Financial Statements and in the Consolidated Financial Statements, if these are drawn up. In view of the interpretation difficulties encountered in applying these provisions (Assonime – circular no. 5 of 22 February 2019) the legislator intervened, amending the said regulations several times. More specifically, the legal provisions of Italian Law no. 124/17 were most recently revised by Italian Decree Law no. 34 of 30 April 2019, which set forth urgent economic growth measures to resolve specific crisis situations, converted with Italian Law no. 58 of 28 June 2019, which provided responses to important topics in order to simplify and rationalise the regulations under consideration. The ERG Group has therefore decided to state in the separate financial statements of the companies belonging to the Group the grants received from public administrations for use by all the companies and that come under the general scheme of the reference system defined by the State (e.g. feed-in premium, energy efficiency certificates, etc.) with the exception of those belonging to the following categories:

- tax relief;
- training grants received from inter-professional funds (such as Fondimpresa), since such funds are a form of partnership governed by private law, financed with the contributions paid by the companies themselves.

(EUR million)	Revenue 2025	of which incentive tariff	of which guarantees of origin	of which RES
Wind Italy	57	50	6	1
Solar Italy	95	94	1	-
<b>Total</b>	<b>152</b>	<b>144</b>	<b>7</b>	<b>1</b>

(EUR million)	Receipts 2025	of which incentive tariff	of which guarantees of origin	of which RES
Wind Italy	50	39	10	1
Solar Italy	69	68	1	-
<b>Total</b>	<b>119</b>	<b>107</b>	<b>11</b>	<b>1</b>

The reference amounts indicated in the tables above are also reported in the financial statements of the Group companies concerned.

In accordance with the provisions of Article 3-quater of Italian Law no. 12 of 11 February 2019, for any funds received, please refer to the indications contained in the National Register of State Aid under Article 52 of Italian Law no. 234 of 24 December 2012. Finally, it should be noted that, in respect of the 2025 financial year, ERG Power Generation S.p.A. benefited from the social security contribution exemption provided for in Article 5 of Italian Law no. 162/2021 (private employers holding gender equality certification) amounting to EUR 23 thousand; it also benefited from a further contribution exemption under Italian Decree Law no. 60/2024 (the Cohesion Decree, also known as the youth bonus), amounting to EUR 26 thousand.

## NOTE 53 - AUDIT FEES

Based on Article 149-duodecies of the Issuers' Regulation, the 2024 fees relating to the services performed by the independent auditors KPMG S.p.A., the main auditor of the ERG Group, and by the companies belonging to its related network, are shown below.

The preparation of the table is in line with the "Procedure for audit engagements in the companies of the ERG Group and monitoring of additional services".

Auditing services include the full audit of the annual separate and consolidated financial statements and review of the company's reporting package for the purposes of drawing up the consolidated financial statements of the parent company.

Type of service	Party that performed the service	Recipient	Fees 2025
<b>(EUR million)</b>			
Statutory audit	Auditor of the parent	parent	188
	Auditor of the parent	subsidiaries	538
	Network of the parent's auditor	subsidiaries	405
<b>Total audit services</b>			<b>1,131</b>
Non-audit services	Auditor of the parent	parent	18
	Auditor of the parent	subsidiaries	36
<b>Total non-audit services</b>			<b>54</b>
<b>Total</b>			<b>1,185</b>

Fees were also paid for statutory audit services by auditors other than the network of the parent's auditor for EUR 151 thousand.

## NOTE 54 - SIGNIFICANT EVENTS AFTER THE REPORTING DATE

### Geographical re-focus for the ERG Group

On 20 January 2026, in line with the guidelines of the Business Plan, which provide for a geographical repositioning, ERG announced the signing and simultaneous closing of two significant transactions in Sweden and the United Kingdom.

The first part of the geographical refocusing concerns the disposal of assets in Sweden, as already described in the document in application of IFRS 5, for which reference is made to section **VII. Operating assets held for sale**.

At the same time, with no impact on the 2025 Integrated Consolidated Financial Statements, ERG, through its subsidiary ERG UK Holding Ltd, acquired from OnPath Energy Midco Limited, a subsidiary of OnPath Energy, a long-established renewable energy developer active in the United Kingdom, 100% of a group of UK companies owning seven operational onshore wind farms in Northern England, with a total installed capacity of 73 MW.

The acquired wind farms, all supported by Renewable Obligation Certificates (ROCs) with an average residual duration of nine years, commenced operations between 2011 and 2017 and will contribute to the Group's results starting from 2026. In 2024, the portfolio recorded production of 174 GWh and gross operating profit of approximately GBP 18 million (approximately EUR 21 million). The wind farms are located across several counties in Northern England and have an estimated annual production of approximately 173.3 GWh, with equivalent operating hours of 2,387, corresponding to approximately 65 kt of CO<sub>2</sub> emissions avoided each year, equal to the energy needs of around 40,000 households. The enterprise value of the transaction amounts to approximately GBP 97 million. The effects of the acquisition will be accounted for in 2026.

### Italian Decree Law no. 21 of 20 February 2026 (so-called Energy/Bills Decree Law)

On 20 February 2026, Italian Decree Law no. 21 "Urgent measures to reduce the cost of electricity and gas for households and businesses, to boost the competitiveness of businesses and to decarbonise industry, as well as urgent provisions on resolving the virtual saturation of electricity grids and integrating data processing centres into the electricity system" was published in the Official Journal. The Decree Law, presented as a measure aimed at supporting households and businesses in reducing energy costs, introduces provisions that will have significant effects on the energy sector and on market operators.

The decree provides for an increase in IRAP for the energy sector: from the tax period following 31 December 2025, for the 2026 and 2027 tax periods, the rate is increased by two percentage points, covering activities relating to the generation, transmission and distribution of electricity. Based on the analyses carried out, the impact on the Company's financial position at 31 December 2025 – which the Company would have had to recognise had the measure been known by the reporting date – has been quantified and is modest in amount.

There are no other significant events to report that may have an impact on the statement of financial position at 31 December 2025 or the income statement for the year then ended.



## **NOTE 55 - PUBLICATION DATE OF THE CONSOLIDATED FINANCIAL STATEMENTS**

On 10 March 2026, the Board of Directors of ERG Power Generation S.p.A. authorised the publication of the Consolidated Financial Statements together with the reports of the Supervisory Bodies in compliance with the deadlines prescribed by current laws and regulations.

Genoa, 10 March 2026

on behalf of the Board of Directors  
The Chief Executive Officer

Renato Sturani



# INDEPENDENT AUDITORS' REPORT



KPMG S.p.A.  
Revisione e organizzazione contabile  
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Telefono +39 010 564992  
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(This independent auditors' report has been translated into English solely for the convenience of international readers. Accordingly, only the original Italian version is authoritative.)

## Independent auditors' report pursuant to article 14 of Legislative decree no. 39 of 27 January 2010

To the sole shareholder of  
ERG Power Generation S.p.A.

### Report on the audit of the consolidated financial statements

#### Opinion

We have audited the consolidated financial statements of the ERG Power Generation Group (the "group"), which comprise the statement of financial position as at 31 December 2025, the income statement and the statements of other comprehensive income, changes in equity and cash flows for the year then ended and notes thereto, which include material information on the accounting policies.

In our opinion, the consolidated financial statements give a true and fair view of the financial position of the ERG Power Generation Group as at 31 December 2025 and of its financial performance and cash flows for the year then ended in accordance with the IFRS Accounting Standards issued by the International Accounting Standards Board and endorsed by the European Union.

#### Basis for opinion

We conducted our audit in accordance with the International Standards on Auditing (ISA Italia). Our responsibilities under those standards are further described in the "Auditors' responsibilities for the audit of the consolidated financial statements" section of our report. We are independent of ERG Power Generation S.p.A. (the "parent") in accordance with the ethics and independence rules and standards applicable in Italy to audits of financial statements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

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.



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Catania Como Firenze Genova  
Lecce Milano Napoli Novara  
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Sede legale: Via Giovanni Battista Pirelli, 38  
20124 Milano MI ITALIA



**ERG Power Generation Group**  
Independent auditors' report  
31 December 2025

### **Responsibilities of the parent's directors and board of statutory auditors ("Collegio Sindacale") for the consolidated financial statements**

The directors are responsible for the preparation of consolidated financial statements that give a true and fair view in accordance with the IFRS Accounting Standards issued by the International Accounting Standards Board and endorsed by the European Union and, within the terms established by the Italian law, for such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

The directors are responsible for assessing the group's ability to continue as a going concern and for the appropriate use of the going concern basis in the preparation of the consolidated financial statements and for the adequacy of the related disclosures. The use of this basis of accounting is appropriate unless the directors believe that the conditions for liquidating the parent or ceasing operations exist, or have no realistic alternative but to do so.

The *Collegio Sindacale* is responsible for overseeing, within the terms established by the Italian law, the group's financial reporting process.

### **Auditors' responsibilities for the audit of the consolidated financial statements**

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISA Italia will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of an audit in accordance with ISA Italia, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control;
- obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the group's internal control;
- evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors;
- conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the group to cease to continue as a going concern;



**ERG Power Generation Group**  
Independent auditors' report  
31 December 2025

- evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation;
- obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with those charged with governance, identified at the appropriate level required by ISA Italia, regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

## Report on other legal and regulatory requirements

### **Opinion and statement pursuant to article 14.2.e)/(e-bis)/(e-ter) of Legislative decree no. 39/10**

The parent's directors are responsible for the preparation of the group's directors' report at 31 December 2025 and for the consistency of such report with the related consolidated financial statements and its compliance with the applicable law.

We have performed the procedures required by Standard on Auditing (SA Italia) 720B in order to:

- express an opinion on the consistency of the directors' report with the consolidated financial statements;
- express an opinion on the compliance of the director's report with the applicable law;
- issue a statement of any material misstatements in the directors' report.

In our opinion, the directors' report is consistent with the consolidated financial statements of ERG Power Generation Group at 31 December 2025.

Moreover, in our opinion, the directors' report has been prepared in compliance with the applicable law.

With reference to the above statement required by article 14.2.e-ter) of Legislative decree no. 39/10, based on our knowledge and understanding of the entity and its environment obtained through our audit, we have nothing to report.

Genoa, 25 March 2026

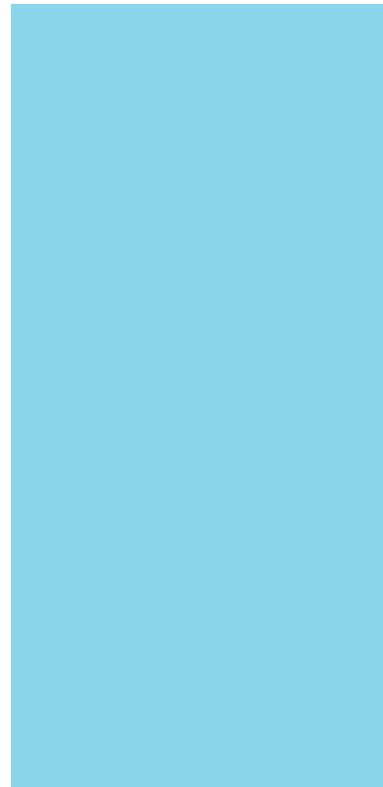
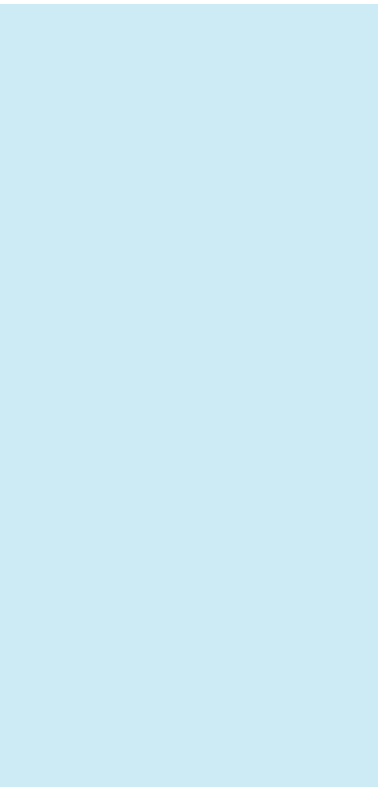
KPMG S.p.A.

(signed on the original)

Andrea Carlucci  
Director of Audit



## Separate Financial Statements





# STATEMENT OF FINANCIAL POSITION

## ASSETS

(EUR)	31/12/2025	31/12/2024
<b>A) SUBSCRIBED CAPITAL, UNPAID</b>	-	-
<b>B) NON-CURRENT ASSETS</b>		
<b>I - Intangible assets</b>		
1) start-up and expansion costs	-	-
2) development costs	-	-
3) industrial patents and intellectual property rights	4,585,196	4,231,238
4) concessions, licences, trademarks and similar rights	5,167	5,666
5) goodwill	375,362	750,724
6) assets under construction and advances	967,415	1,860,439
7) other	960	1,200
<b>Total</b>	<b>5,934,100</b>	<b>6,849,267</b>
<b>II - Property, plant and equipment</b>		
1) land and buildings	157,204	183,586
2) plant and machinery	113,511	123,906
3) industrial and commercial equipment	1,677,574	1,619,659
4) other assets	641,790	270,484
5) assets under construction and advances	169,342	118,600
<b>Total</b>	<b>2,759,420</b>	<b>2,316,235</b>
<b>III - Financial assets</b>		
1) equity investments in:		
a) subsidiaries	2,249,949,963	2,180,293,764
b) associates	-	-
c) parent companies	-	-
d) companies subject to control by parent companies	-	-
d-bis) other companies	8,247	6,316
	<b>2,249,958,210</b>	<b>2,180,300,080</b>
2) receivables:		
a) from subsidiaries	498,227,418	1,533,625,020
b) from associates	-	-
c) from parent companies	-	-
d) from companies subject to control by parent companies	-	-
d-bis) from others	2,605,734	1,020,203
	<b>500,833,152</b>	<b>1,534,645,223</b>
3) other securities	-	-
4) financial derivative assets	-	-
<b>Total</b>	<b>2,750,791,362</b>	<b>3,714,945,303</b>
<b>TOTAL NON-CURRENT ASSETS (B)</b>	<b>2,759,484,882</b>	<b>3,724,110,805</b>

(EUR)		31/12/2025		31/12/2024
<b>C) CURRENT ASSETS</b>				
<b>I - Inventories</b>				
1) raw, ancillary and consumable materials		16,584,344		15,156,337
2) work in progress and semi-finished products		-		-
3) contracts in progress		4,815,135		5,757,996
4) finished products and goods		-		-
5) advances		-		-
<b>Total</b>		<b>21,399,479</b>		<b>20,914,333</b>
	of which beyond 12 months:		of which beyond 12 months:	
<b>II - Receivables</b>				
1) from customers	-	32,648,107	-	45,477,049
2) from subsidiaries	-	1,063,682,278	-	12,181,062
3) from associates	-	-	-	-
4) from parent companies	-	25,620	-	6,971,165
4-quater) assets for substitution tax from realignment	-	-	-	-
5) from companies subject to control by parent companies	-	-	-	-
5-bis) tax assets	-	19,239,950	-	13,058,941
5-ter) deferred tax assets	4,024,856	4,122,904	3,971,392	4,314,856
5-quater) from others	26,191,452	30,061,542	25,274,859	68,883,714
<b>Total</b>		<b>1,149,780,401</b>		<b>150,886,787</b>
<b>III - Current financial assets</b>				
1) equity investments in subsidiaries		50,084,714		-
2) equity investments in associates		-		-
3) equity investments in parent companies		-		-
3-bis) equity investments in companies subject to control by parent companies		-		-
4) other equity investments		-		-
5) financial derivative assets		19,258,642		34,187,121
6) other securities		-		-
7) financial assets for centralised treasury management in respect of parent company		120,010,523		95,372,866
8) financial assets for centralised treasury management in respect of subsidiaries		775,799		2,769,653
<b>Total</b>		<b>190,129,678</b>		<b>132,329,640</b>
<b>IV - Cash and cash equivalents</b>				
1) bank and postal deposits		10,881,564		12,337,948
2) cheques		-		-
3) cash and notes on hand		-		-
<b>Total</b>		<b>10,881,564</b>		<b>12,337,948</b>
<b>TOTAL CURRENT ASSETS (C)</b>		<b>1,372,191,122</b>		<b>316,468,708</b>
<b>D) PREPAYMENTS AND ACCRUALS</b>		<b>5,232,984</b>		<b>6,756,155</b>
<b>TOTAL ASSETS</b>		<b>4,136,908,988</b>		<b>4,047,335,668</b>

## LIABILITIES

(EUR)	31/12/2025	31/12/2024
<b>A) EQUITY</b>		
I) Share capital	100,000,000	100,000,000
II) Share premium reserve	7,000,000	7,000,000
III) Revaluation reserves	2,221,445	2,221,445
IV) Legal reserve	20,000,000	20,000,000
V) Statutory reserves	-	-
VI) Other reserves, indicated separately	-	-
Reserves for shareholder contributions	1,858,732,646	1,858,732,646
Capital grants reserve	-	-
Extraordinary reserve	5,829,878	5,829,878
Legal reserve, additional VAT deductions	642	642
Reserve pursuant to Italian Law no. 308/82	363	363
Operating grants	861	861
Merger Surplus	5,855,286	5,855,286
Merger Surplus 2017	606,980,447	606,980,447
VII) Reserve for transactions to hedge expected cash flows	488,281	6,133,227
VIII) Retained earnings	905,956,148	866,097,176
IX) Profit for the year	42,916,241	109,858,972
X) Negative reserve for treasury shares in portfolio	-	-
<b>Total</b>	<b>3,555,982,238</b>	<b>3,588,710,943</b>
<b>B) PROVISION FOR RISKS AND CHARGES</b>		
1) for pensions and similar obligations	-	-
2) for taxes, including deferred	292,751	2,825,519
3) financial derivative liabilities	7,546,772	10,751,370
4) other	5,277,717	3,915,766
<b>Total</b>	<b>13,117,240</b>	<b>17,492,655</b>
<b>C) POST-EMPLOYMENT BENEFITS</b>	<b>1,525,790</b>	<b>1,580,390</b>
<b>D) PAYABLES</b>		
	of which beyond 12 months:	of which beyond 12 months:
1) bonds	-	-
2) convertible bonds	-	-
3) payables to shareholders for loans	-	-
4) bank loans and borrowings	-	-
5) payables to other lenders	-	-
6) advances	-	-
7) payables to suppliers	19,237,078	32,340,464
8) payables represented by securities	-	-
9) payables to subsidiaries	473,393,587	381,961,296
10) payables to associates	-	-
11) payables to parent companies	56,562,740	24,976
11-bis) payables to companies subject to control by parent companies	-	-
12) tax liabilities	537,649	861,007
13) payables to pension and social security institutions	1,494,503	1,279,162
14) other payables	1,816,852	9,125,003
<b>Total</b>	<b>553,042,410</b>	<b>425,591,908</b>
<b>E) PREPAYMENTS AND ACCRUALS</b>	<b>13,241,311</b>	<b>13,959,770</b>
<b>TOTAL LIABILITIES</b>	<b>4,136,908,988</b>	<b>4,047,335,668</b>



## INCOME STATEMENT

(EUR)	2025	2024
<b>A) VALUE OF PRODUCTION</b>		
1) Revenue from sales and services	576,160,755	640,498,689
2) Changes in inventories of work in progress, semi-finished products and finished products	-	-
3) Changes in contracts in progress	(942,862)	(2,257,117)
4) Increases in non-current assets for internal work	-	-
5) Other revenue and income	-	-
- other	4,273,502	7,479,604
- operating grants	-	-
<b>Total</b>	<b>579,491,395</b>	<b>645,721,177</b>
<b>B) PRODUCTION COST</b>		
6) For raw, ancillary and consumable materials and goods	(510,724,280)	(585,695,455)
7) For services	(69,986,241)	(60,303,408)
8) of third-party assets	(2,326,842)	(2,241,193)
9) For employees:		
a) salaries and wages	(14,747,498)	(13,686,945)
b) social security contributions	(4,431,475)	(3,657,150)
c) post-employment benefits	(975,056)	(814,634)
d) pensions and similar obligations	-	-
e) other costs	(546,450)	(537,734)
	<b>(20,700,479)</b>	<b>(18,696,463)</b>
10) Amortisation, depreciation and impairment losses:		
a) amortisation of intangible assets	(2,589,798)	(2,319,012)
b) depreciation of property, plant and equipment	(720,126)	(615,635)
c) other impairment losses of non-current assets	-	-
d) impairment of financial assets included in current assets and cash and cash equivalents	(4,332,506)	-
<b>Total</b>	<b>(7,642,430)</b>	<b>(2,934,646)</b>
11) Changes in inventories of raw, ancillary and consumable materials and goods	1,428,007	3,628,640
12) Provisions for risks	(573,876)	(400,742)
13) Other provisions	-	-
14) Other operating costs	(2,496,935)	(1,106,181)
<b>Total</b>	<b>(613,023,077)</b>	<b>(667,749,448)</b>
<b>OPERATING PROFIT (LOSS) (A-B)</b>	<b>(33,531,682)</b>	<b>(22,028,271)</b>



(EUR)	2025	2024
<b>C) FINANCIAL INCOME AND EXPENSE</b>		
15) Gains on equity investments:		
- from subsidiaries	82,215,737	57,162,080
- from associates	-	-
- from parent companies	-	-
- from companies subject to control by parent companies	-	-
- from others	4,088,700	-
	<b>86,304,437</b>	<b>57,162,080</b>
16) Other financial income:		
a) from receivables recorded under non-current assets		
- from subsidiaries	78,776,576	93,160,027
- from associates	-	-
- from parent companies	-	-
- from companies subject to control by parent companies	-	-
- from others	-	-
	<b>78,776,576</b>	<b>93,160,027</b>
b) from securities recorded under non-current assets that are not equity investments	-	-
c) from securities recorded under current assets that are not equity investments	-	-
d) other income		
- from subsidiaries	775,787	1,628,406
- from associates	-	-
- from parent companies	905,608	3,091,713
- from companies subject to control by parent companies	-	-
- from others	817,441	2,884,356
	<b>2,498,836</b>	<b>7,604,475</b>
	<b>81,275,412</b>	<b>100,764,502</b>
17) Interest and other financial expense		
- to subsidiaries	(2,365,369)	(6,811,142)
- to associates	-	-
- to parent companies	-	-
- to companies subject to control by parent companies	-	-
- to others	(68,694)	(1,147,831)
- financial expense - dismantling	-	-
	<b>(2,434,064)</b>	<b>(7,958,973)</b>
17-bis) Exchange rate gains and losses	(1,623,927)	885,170
<b>Total</b>	<b>163,521,858</b>	<b>150,852,779</b>
<b>D) VALUE ADJUSTMENTS TO FINANCIAL ASSETS AND LIABILITIES</b>		
18) Revaluations:		
a) of equity investments	-	-
b) of financial assets other than equity investments	-	-
c) of securities recorded under current assets that are not equity investments	-	-
d) of derivative financial instruments	25,120,168	21,485,747
	<b>25,120,168</b>	<b>21,485,747</b>
19) Impairment losses:		
a) of equity investments	(73,920,196)	-
b) of financial assets other than equity investments	-	-
c) of securities recorded under current assets that are not equity investments	-	-
d) of derivative financial instruments	(25,177,631)	(20,426,671)
	<b>(99,097,827)</b>	<b>(20,426,671)</b>
<b>Total adjustments (18-19) (D)</b>	<b>(73,977,659)</b>	<b>1,059,076</b>
<b>PROFIT BEFORE TAXES (A - B +/- C +/- D)</b>	<b>56,012,518</b>	<b>129,883,583</b>
20) Income taxes for the year: current, deferred and prepaid	(13,096,277)	(20,024,611)
<b>21) PROFIT (LOSS) FOR THE YEAR</b>	<b>42,916,241</b>	<b>109,858,972</b>

# STATEMENT OF CASH FLOWS

(EUR)	2025	2024
<b>A. CASH FLOWS FROM OPERATING ACTIVITIES (INDIRECT METHOD)</b>		
Profit for the year	42,916,241	109,858,972
Income taxes	13,096,277	20,024,611
Interest expense/(interest income)	(78,841,349)	(91,455,529)
(Dividends)	(82,215,737)	(57,162,080)
(Capital gains)/capital losses from the disposal of assets	(19,000)	1,349,267
<b>1. Profit (loss) for the year before income tax, interest, dividends and capital gains/losses from transfers</b>	<b>(105,063,568)</b>	<b>(17,384,759)</b>
Allocations to provisions	1,642,932	1,327,376
Amortisation/depreciation losses on non-current assets	3,309,925	2,934,647
Impairment losses	73,920,196	-
Other adjustments for non-monetary elements	(48,076)	(5,844,773)
Value adjustments to financial assets and liabilities of derivative financial instruments that do not involve financial transactions	(42,146)	(144,231)
<b>2. Cash flow before changes in net working capital</b>	<b>(26,280,736)</b>	<b>(19,111,739)</b>
Decreases/(increases) in inventories	(485,146)	(1,371,523)
Decreases/(increases) in trade receivables	23,599,134	6,105,072
Increases/(decreases) in trade payables	17,575,076	12,626,270
Decreases/(increases) in accrued income and prepaid expenses	1,523,171	(2,169,836)
Increases/(decreases) in accrued expenses and deferred income	-	(1)
Other changes in net working capital	27,870,478	(31,074,803)
<b>3. Cash flow after changes in net working capital</b>	<b>43,801,978</b>	<b>(34,996,559)</b>
Interest received/(paid)	78,841,349	91,455,529
Income taxes (paid)/collected for national tax consolidation scheme	(2,727,683)	4,330,592
Dividends received	82,215,737	57,162,080
(Use of post-employment benefits provision)	(1,029,657)	(1,039,890)
(Use of provisions)	(1,129,733)	(976,189)
<b>4. Cash flow after other adjustments</b>	<b>199,971,991</b>	<b>115,935,563</b>
<b>CASH FLOW FROM OPERATING ACTIVITIES (A)</b>	<b>199,971,991</b>	<b>115,935,563</b>
<b>B. CASH FLOWS FROM INVESTING ACTIVITIES</b>		
<b>Property, plant and equipment</b>		
(Capital expenditure)	(973,240)	(713,060)
Divestments	-	667
<b>Intangible assets</b>		
(Capital expenditure)	(1,864,703)	(2,185,824)
Divestments	-	733
<b>Financial assets</b>		
(Capital expenditure)	(153,492,357)	(337,674,789)
Divestments	153,997	38,881,719
<b>Current financial assets</b>		
(Capital expenditure)	-	-
Divestments	-	(1,350,000)
<b>CASH FLOWS FROM INVESTING ACTIVITIES (B)</b>	<b>(156,176,303)</b>	<b>(303,040,554)</b>
<b>C. CASH FLOWS FROM FINANCING ACTIVITIES</b>		
<b>Borrowings</b>		
Increase (decrease) in short-term bank borrowings	-	-
Increase (decrease) of short-term financial liabilities/assets to/from group companies	23,149,367	255,123,225
Loans taken out	-	-
Repayment of loans	-	-
<b>Equity</b>		
Capital increase	-	-
(Repayment of capital)	-	-
Sale (purchase) of treasury shares	-	-
Changes in equity due to reserve for hedging futures (paid)/collected	1,598,561	134,251
Dividends (and advances on dividends) paid	(70,000,000)	(60,000,000)
<b>CASH FLOWS FROM FINANCING ACTIVITIES (C)</b>	<b>(45,252,072)</b>	<b>195,257,477</b>
<b>Increase (decrease) of cash and cash equivalents (A±B±C)</b>	<b>(1,456,384)</b>	<b>8,152,486</b>
<b>Opening cash and cash equivalents</b>	<b>12,337,948</b>	<b>4,185,463</b>
<b>CLOSING CASH AND CASH EQUIVALENTS</b>	<b>10,881,564</b>	<b>12,337,948</b>



## NOTES TO THE FINANCIAL STATEMENTS AT 31 DECEMBER 2025

The financial statements of ERG Power Generation S.p.A. (hereinafter also "Company"), drawn up in accordance with the regulations contained in Articles 2423 et seq. of the Italian Civil Code, interpreted and added to the accounting standards issued by the Italian Accounting Body (the "OIC accounting standards"), comprise the following documents: Statement of Financial Position, Income Statement, Statement of Cash Flows and Notes to the Financial Statements.

For each item of the Statement of Financial Position, Income Statement and Statement of Cash Flows, the corresponding amounts at 31 December 2024 are also provided. If the items are not comparable, those of the prior year were adapted, providing the relative comments on the circumstances in question in the Notes to the Financial Statements.

The Statement of Cash Flows shows the positive or negative changes in cash and cash equivalents during the year and was drawn up using the indirect method, based on the format provided by OIC 10 accounting standard.

The Statement of Financial Position, Income Statement and Statement of Cash Flows were drawn up in Euro, without decimals, while the amounts in the Notes to the Financial Statements are expressed in thousands of Euro, unless otherwise specified.

In application of the principle of materiality, as set out in Article 2423, paragraph 4, of the Italian Civil Code, the Notes omit the comments on the items in the Financial Statements, even if specifically envisaged by Article 2427 of the Italian Civil Code or by other provisions, in cases where the amount of said items and the relative information are irrelevant in providing a true and accurate representation of the Company's economic and financial position and operating results.

If the information required by specific legal provisions is not sufficient in providing a true and accurate representation, the supplementary information deemed necessary for this purpose is provided.

With regard to the Company's activities and transactions with subsidiaries, associates, parent companies and companies subject to joint control, please refer to the Directors' Report, drawn up by the Directors and included to the following financial statements.

The significant events after year-end, the proposal for allocation of the profit for the year and the total amount of commitments, guarantees and contingent liabilities not indicated in the statement of financial position are stated in the relative paragraphs of these Notes to the Financial Statements.

Note that, pursuant to Articles 2497 et seq. of the Italian Civil Code, the Company is subject to management and coordination by ERG S.p.A.; therefore, the Notes to the Financial Statements include a summary statement of the key data from the latest financial statements of said company.

ERG Power Generation S.p.A. is directly controlled by ERG S.p.A., with its registered office at Via De Marini 1, Genoa, and indirectly, ultimately, by Garmon S.p.A. (formerly San Quirico S.p.A.), with its registered office at Via Martin Piaggio 17/4, Genoa. The latest consolidated financial statements approved by ERG S.p.A. are available on the ERG S.p.A. website at [www.erg.eu/it](http://www.erg.eu/it), whilst the latest consolidated financial statements approved by Garmon S.p.A. are available at the Companies Register.

## NATURE OF THE COMPANY

The company is currently a wholly-owned subsidiary of ERG S.p.A.

Management of the industrial and commercial processes of the ERG Group is entrusted to 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.

The ERG Group, with generation facilities of 3,974 MW installed renewable capacity (3,296 MW wind, 666 MW solar, 12.5 MW storage), operates directly or through its subsidiaries, in the following Geographical Segments:

### Italy

In Italy, ERG Power Generation S.p.A., through its direct and indirect subsidiaries, has a total installed capacity of 1.649 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 1,468 MW of installed capacity, and a leading operator in solar power generation with 180 MW of installed capacity. During the financial year, ERG, through its subsidiary Green Vicari S.r.l., commissioned its first BESS (Battery Energy Storage Systems) plant in Vicari (Palermo), with an installed capacity of 12.5 MW. The plant, which became operational in November, is located within ERG's electrical substation, to which the nearby wind farms of Vicari (37.5 MW) and Roccapalumba (46.8 MW) are connected.

### Abroad

Outside Italy, ERG has a total installed capacity of 2,313 MW.

In wind power, ERG is one of the leading operators in Europe with a significant and growing presence (1,603 MW operational), particularly in France (605 MW), Germany (330 MW), the UK (340 MW), Poland (142 MW), Romania (70 MW), Bulgaria (54 MW) and Sweden (62 MW). It should be noted that, in compliance with the guidelines of the Business Plan, which provide for a geographical repositioning, on 20 January 2026 the ERG Group sold to Nordetic AB, 100% of ERG Sweden Holding AB, owner of Furukraft AB, the company that owns the Swedish wind farm of Furuby/62 MW).

At the same time, the Group acquired from OnPath Energy Midco Limited 100% of a group of UK companies owning seven operational onshore wind farms in Northern England, with a total installed capacity of 73 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.

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

The Company's corporate purpose is to develop business both in Italy and abroad:

- a) in the electricity sector, including the purchase, generation, import, export and sale (including to end customers) of electricity and related products such as, for example, securities and instruments related to such activities for hedging or asset-backed trading purposes;
- b) in the energy sector in general, including the purchase, import and sale (including to end customers) of fuels, the use of biomass, solid urban waste or related fuels for their waste to energy conversion in electricity generation plants, the generation and sale of steam, industrial wastewater and related products such as, by way of example, securities and instruments related to the aforementioned activities, as well as in the area of environmental protection;
- c) in other sectors that are related or close to the activities carried out in the above-mentioned sectors which allow for better use of the structures, resources and skills used in the above-mentioned sectors such as, for example, energy efficiency improvement activities allowing the goods produced and services provided in the above-mentioned sectors to be used more effectively.

The following activities form also part of the Company business purposes (i) the design, construction, maintenance and management of plants; (ii) production and sale of equipment; (iii) research, consultancy services and assistance; and (iv) the purchase, sale and marketing of goods and services referred to in the sectors described under letters a), b) and c) of the preceding paragraph (including, by way of example, marketing and management services, as well as performance monitoring).

### Scenario

Throughout 2025, the global macroeconomic scenario continued to be characterised by moderate growth. The environment remains heavily influenced by ongoing international trade tensions, high geopolitical uncertainty and structural vulnerabilities that limit the growth potential of major advanced and emerging economies.

This scenario mainly reflects:

- the restrictive impact of US tariff policies, which have increased the costs of international trade;
- a contraction in private investments in response to a more uncertain regulatory and political context;
- persistent geopolitical fragility, including recent developments in the Middle East, Venezuela and tensions between European countries and the United States over Greenland, which could represent an additional risk factor.

During 2025, energy prices showed a general upward trend, albeit characterised by high volatility. The outlook remains strongly influenced by factors such as:

- changing international energy policies;
- the dynamics of supply and demand in global markets;
- geopolitical tensions in strategic areas for the supply of oil and gas.

These factors pose a significant risk of increased energy costs, with potential repercussions on inflation, the profitability of energy-intensive businesses and the purchasing power of households.

In June 2025, the European Central Bank announced a further cut in reference rates of 25 basis points, continuing the cycle of monetary easing that began in mid-2024 in response to a series of exceptional shocks (pandemic, conflict in Ukraine, energy crisis).

## GENERAL PRINCIPLES IN THE PREPARATION OF THE FINANCIAL STATEMENTS

Items in the financial statements were valued based on the general criteria of prudence and accrual, on a going concern basis; the items were recognised and stated by taking into account the substance of the transaction or contract, where compatible with the provisions of the Italian Civil Code and of the OIC accounting standards.

Application of the principle of prudence resulted in individual valuation of the items making up the individual assets or liabilities, in order to avoid offsetting between losses that should have been recognised and income that should not be recognised since it has not been realised. In particular, profits were included only if they were realised by year end, while the risks and losses pertaining to the year were taken into account even if they were recorded after the end of the financial year.

In accordance with the accrual principle, transactions were recorded in and assigned to the year to which such transactions refer, and not to the year in which the relative collections and payments were made.

The measurement criteria did not change with respect to the prior year, in order to enable comparability of the Company's financial statements over time.

No exceptional cases occurred during the year, which required recourse to derogation from the valuation criteria, pursuant to Article 2423, paragraph 5, of the Italian Civil Code, as a result of being incompatible with a true and fair view of the Company's economic and financial position and operating results. No revaluations of assets were carried out during the year pursuant to special laws on the subject.

Preparation of the financial statements requires estimates that affect the values of assets and liabilities and the relative financial statements. The final results may differ from these estimates. Estimates are reviewed periodically, and the effects of changes in estimates, where not arising from errors in the estimates, are stated in the income statement in the year in which the changes occur, if they only affect that year, and even in subsequent years if the changes impact both the current year as well as later years.

The main estimates for which the use of subjective assessments is more heavily required were used, inter alia, for:

- allocations to provisions for risks of liabilities related to legal and tax disputes for which a financial outlay is deemed likely and the amount of the resulting charges can be reasonably estimated;
- deferred tax assets, recognised on the basis of the future taxability of expected profits generated in accordance with business plans as well as of the expected renewal of tax consolidation regimes;
- the procedure for verifying equity investments, described in more detail in the sections "Impairment" and "Equity investments" which involves – in estimating the value in use – the use of the investees' business plans, based on a set of assumptions regarding inflation, discount rates, expected energy prices, availability of renewable resources, changes to the regulatory framework.
- the fair value calculation for derivatives, performed on the basis of the estimate of future cash flows, discounted at the measurement date. The estimate of variable future prices is carried out on the basis of forward prices of the commodities. The measurement techniques used are based exclusively on parameters such as spot and forward price, interest rates and commodity price directly observable on the market.

For clearer disclosure, it was deemed preferable to show all amounts rounded off to the nearest EUR thousand in the Notes to the Financial Statements; consequently, in some statements, total amounts may differ slightly from the sum of the amounts that comprise them.

## ACCOUNTING POLICIES

### INTANGIBLE ASSETS

Intangible assets are recognised, upon approval by the Board of Statutory Auditors where envisaged, at their historic acquisition cost, net of amortisation applied over the years and of any impairment losses attributed directly to the individual items. The cost includes ancillary charges and direct and indirect costs for the portion reasonably attributable to the asset, with respect to the period of construction and up until the moment in which the asset may be used, and the financial expense incurred to finance construction (internal or through third parties) until use of the asset is possible.

Amortisation begins at the moment in which the asset is available and ready for use.

These amounts are reduced on an annual basis and recognised in the income statement using an amortisation process, on a straight-line basis in accordance with their useful lives and also considering any residual possibility of use. The systematic nature of amortisation is linked to the correlation of the expected benefits.

The start-up and expansion costs are amortised on a straight-line basis over five years.

Leasehold improvements are capitalised and recognised under "other intangible assets" if they cannot be separated from the assets themselves (otherwise they are recognised under the specific item of "property, plant and equipment"), and amortised on a straight-line basis at the lower of the period of expected future utility and the residual lease, taking into account any renewal period, if dependent on the Company.

If, regardless of any amortisation already recognised, there proves to be impairment, the asset is written off accordingly. If in later years the reason for the write-off no longer applies, the original value is restored to the extent of the value the asset would have had if the write-down had never been made, with the exception of the goodwill item and "Deferred charges" pursuant to number 5 under Article 2426 of the Italian Civil Code.

The amortisation rate applied to software and leasehold improvements is 20%.

In general, intangible assets are amortised over a maximum period of five years.

Goodwill includes amounts paid with regard to company purchase transactions or other corporate transactions and is amortised based on useful life. The useful life is estimated upon initial recognition of goodwill and is not changed in subsequent years. If it is not possible to estimate useful life, goodwill is amortised over a period of 10 years.

Intangible assets are revalued, up to their recoverable amount, only in cases envisaged or permitted by law.

### PROPERTY, PLANT AND EQUIPMENT

In accordance with the provisions of the OIC 16 Italian accounting standard, non-current assets are initially recognised on the date in which the risks and benefits connected with the acquired asset are transferred, which usually occurs when the ownership title is transferred. In any case, if, by virtue of specific contractual clauses, the date on which the transfer of risks and benefits takes place and the date on which the title is transferred do not match, the date on which the transfer of risks and benefits takes place prevails. In any case, in carrying out this analysis, all the contractual clauses are analysed.

These are recognised at purchase cost, including directly attributable ancillary charges and costs incurred to use the asset, net of any commercial discounts and cash discounts of a significant amount.

The amounts recorded are adjusted annually based on the corresponding accumulated depreciation. The depreciation amounts recognised in the income statement are calculated on a straight-line basis, using rates considered to be representative of the estimated economic-technical useful life of the assets to which they refer.

Depreciation begins at the moment in which the asset is available and ready for use. In application of the principle of materiality, pursuant to Article 2423, paragraph 4, of the Italian Civil Code and the provisions of the relative accounting standard, the depreciation rates were reduced by half during the first year of depreciation.

Property, plant and equipment recorded in the financial statements were revalued exclusively in accordance with the legal provisions and within the limits of the higher of current value and value in use.

Depreciation rates are determined in accordance with prudential criteria and the estimated residual possibility of use of each asset in accordance with rates of use in previous years.

If, at year-end, regardless of the depreciation already recognised, impairment occurs, the non-current asset is written down accordingly. If the reasons for impairment cease to exist in subsequent years, the original value is restored, adjusted solely based on the depreciation.

### Impairment losses of property, plant and equipment and intangible assets ("Impairment")

On the basis of OIC 9, the Company subjects its property, plant and equipment and intangible assets to impairment testing to determine whether there are indications that they may have suffered impairment at the dates of the financial statements. If such an indication exists, the Company estimates the recoverable amount of the asset to determine the amount of the impairment loss.

When it is not possible to estimate the recoverable amount of an individual asset, the Company estimates the recoverable amount of the cash-generating unit to which the asset belongs.

The recoverable amount of an asset is the higher of its fair value less costs to sell, and its value in use, determined as the present value of expected future cash flows.

Future cash flows are estimated with reference to the current conditions of non-current assets and therefore do not include cash inflows or outflows that are expected to arise from future restructuring to which the Company has not yet committed, or from improvement or optimisation of return on the asset.

An asset is impaired when its carrying amount exceeds its recoverable amount. Should the impairment of an asset, other than goodwill and deferred charges, subsequently no longer apply or be reduced, the carrying amount of the asset or cash-generating unit is increased up to the new estimate of the recoverable amount, without exceeding the value that would have been determined if no impairment had been recognised. At each reporting date, the Company assesses the existence of any indication that an asset may have undergone impairment. Were such an indication to exist, the Company would estimate the recoverable amount of the asset and write it off only if the latter were lower than the corresponding carrying amount.

### **EQUITY INVESTMENTS, LOAN ASSETS AND SECURITIES**

Financial assets include equity investments, loan assets and securities.

Equity investments and debt securities recognised as non-current assets are due to be held permanently among the Company's assets. Equity investments are measured using the cost method, adjusted for impairment losses. The cost method assumes that the recognition value is calculated on the basis of the purchase or subscription price, including ancillary costs. When impairment is detected, the carrying amount of the investment is written off to its lowest recoverable amount, calculated on the basis of future benefits expected as inflows by the investor. The original value of the equity investment is written back in later years if the reasons for the write-off should no longer apply.

For the 2025 financial statements, as in previous years, the recoverability of the carrying amounts of the equity investments in subsidiaries and in joint ventures was tested.

It should be noted that, at 31 December 2025, there are no indications of potential impairment in ERG Power Generation S.p.A.'s investments following the Group's impairment tests, with the exception of those highlighted in the "Equity investments" section of these Notes to the Financial Statements.

### **INVENTORIES**

Inventories of ancillary and consumable materials and spare parts are recognised using the weighted average cost method per period on an annual basis. These are measured at the lower between the cost and estimated realisable amount as deduced from market trends (Article 2426, paragraph 9, of the Italian Civil Code).

To determine the estimated realisable amount from market trends, the replacement cost is normally taken as reference or, where available, the net realisable value of the assets.

In the event of obsolescence or slow turnover of the materials, the carrying amount is written down accordingly with a provision used to directly cut the inventories value.

Contracts in progress reflect the actual progress of the works and services performed by the Company in favour of its subsidiaries in projects regarding Repowering, in accordance with the provisions of OIC 23.

Contracts in progress, with duration of less than 12 months, include contracts in progress and are evaluated using the completed contract criterion, at the lower of the cost incurred and the presumed realisable value based on market conditions. The revenue and contract margin are recognised upon completion of the contract, i.e. on the date on which the transfer of risks and benefits related to the asset produced occurs or the services are rendered.

### **RECEIVABLES**

Receivables are recorded in the financial statements according to the amortised cost method, taking into account the time factor and the estimated realisable value. The amortised cost method is not applied when the effects are immaterial, or when the transaction costs, commissions paid by the parties and any other difference between initial and final value are of limited significance, or if the receivables are short term (with maturity of less than 12 months).

Moreover, pursuant to Article 12, paragraph 2, of Italian Legislative Decree no. 139/2015, the Company exercised the option not to apply the amortised cost criterion and discount all receivables that arose prior to 1 January 2016.

Trade receivables with expiry beyond 12 months from initial recognition, without payment of interest, or with interest significantly different from the market interest rates, and the relative revenue, are initially recognised at the value determined by discounting the future cash flows at the market interest rate. The difference between initial recognition value of the receivable determined in this manner and the final value is recorded in the income statement as financial income throughout the duration of the receivable, using the effective interest rate method.

All the trade receivables in the financial statements have expiries of less than 12 months and are therefore recognised at nominal amount.

Moreover, the receivables are recognised at estimated realisable value. The value of receivables is adjusted to the estimated realisable value through the allocation of an appropriate loss allowance, established by taking into account the country risk and the economic conditions in general and within the specific sector. The loss allowance is estimated through an analysis of the significant receivables individually and at the portfolio level for the remaining ones, calculating the presumed losses on receivables at the reporting date.

Receivable operations carried in foreign currencies are converted into Euro at the exchange rate on the date of the operation, and the difference between the amount and the amount actually received is recognised under the income statement under financial income and expense.

The exchange rate differences resulting from adjustment of the receivables in foreign currency to the exchange rate at year-end with respect to the date of the operation are recognised in the income statement.

## FINANCIAL ASSETS

The item *Current financial assets* under current assets includes equity investments not held as non-current assets which are valued on the basis of the lower of the purchase cost and the realisable value that can be deduced from market performance.

The item typically includes equity investments previously included in the non-current financial assets of the Company subsequently reclassified as current financial assets following changes in the corporate strategy, and this new allocation is based on decision-making processes already completed at the end of the year and consistent with corporate objectives and strategies.

The Company participates in the centralised treasury management programme (cash pooling) carried out by the parent company ERG S.p.A., which in turn has a centralised treasury management programme for the subsidiaries.

Withdrawals from the common current account (pool account) constitute a payable to the company that administers the cash pooling, while payments into the common current account constitute a receivable from the company.

As indicated in OIC 14, receivables generated by centralised management of treasury (i.e. cash pooling) are recognised, if permitted by the terms of collection, under "Current financial assets"; as "Financial assets for centralised treasury management", indicating the counterparty (for example, parent company or subsidiary). If the short-term collection terms are not satisfied, these receivables are recorded under non-current financial assets.

## CASH AND CASH EQUIVALENTS

These are recorded at estimated realisable value, which generally coincides with the nominal amount, with a separate indication for bank and postal deposits and cash and notes on hand.

## PREPAYMENTS AND ACCRUALS

The prepayments and accruals item includes the portions of costs and revenue accrued during the year but collectible in subsequent years, and the portions of costs and revenue incurred within the end of the year but relating to subsequent years, based on the accrual principle.

At the end of each year, the conditions that determined initial recognition are verified and, if necessary, the required value adjustments are made.

In particular, in addition to the passage of time, the estimated realisable value is considered for accrued income, while for prepaid expenses the existence of a future economic benefit related to deferred costs is considered.

## EQUITY

Transactions between the Company and shareholders (acting as shareholders) may give rise to receivables from or payables to shareholders. The Company recognises a receivable from shareholders when the shareholders take on a commitment with respect to the Company, and it recognises a payable when it takes on a commitment with respect to shareholders.

Payments made by shareholders that do not envisage a repayment obligation are recorded under the relevant item of equity, while loans received from shareholders that envisage a repayment obligation are recorded under payables.

Treasury shares are recorded at a value corresponding to their purchase cost in a negative shareholders' reserve, upon purchase of the shares themselves.

The negative reserve is reversed, following a shareholders' resolution to cancel treasury shares, and the share capital is simultaneously reduced by the nominal amount of the shares cancelled. Any difference between the carrying amount of the reserve and the nominal amount of the cancelled shares is recognised as an increase or decrease to equity.

In the event of disposal of treasury shares, any difference between the carrying amount of the negative reserve and the realisable value of the disposed shares is recognised as an increase or decrease to another item of equity.

Should the company purchase shares from the parent company, within the limits set out by Article 2359-bis, paragraph 3, of the Italian Civil Code, a specific unavailable reserve is created under equity for an equal amount.

The effects on equity of application of the other accounting standards are commented on in the respective sections.

## PROVISION FOR RISKS AND CHARGES

Provisions for risks and charges are allocated against liabilities of a calculable nature, certain or probable, for which nevertheless at year end the total or contingency date is not yet known.

Contingent liabilities are recognised in the financial statements and registered under the provisions when their realisation has become probable and when the amount of the relative charge can be reasonably estimated.

Measurement of the charge complies with the general prudence and accrual principles, which, vice versa, do not allow the allocation of provisions that are generic or without economic justification.

Any risks for which a liability is only possible are indicated in the Notes to the Financial Statements without the allocation of provisions for risks and charges.

If the possibility of realisation of a risk is considered to be remote, it will not be taken into account.

Allocations to provisions for risks and charges are recognised as a priority in the income statement items of the relevant classes, with the criteria of classification of costs by nature prevailing. The amount of allocation to the provisions is determined based on the best estimate of costs, including legal fees, at each reporting date. Moreover, if there is a provision for charges, the estimate may also take into consideration the time horizon in question, if it is possible to make a reasonably reliable estimate of the outlay connected to the obligation and the date of occurrence, and if the latter is so far ahead in time as to make the present value of the obligation and the estimated liability at the moment of outlay significantly different.

## DERIVATIVE INSTRUMENTS

Derivative financial instruments are financial assets and liabilities recognised at fair value at each reporting date.

Fair value is the price that would be received for the sale of an asset or that would be paid for the transfer of a liability in a regular transaction between market operators at the valuation date and, in the case of unlisted derivatives, is determined by the Company using the appropriate valuation techniques, through assumptions, parameters and fair value hierarchy levels envisaged by the reference accounting standard. Derivatives are classified as hedging instruments only when, at the beginning of the hedge, there is a close and documented correlation between the characteristics of the hedged asset and those of the derivative, and the hedge itself is formally documented and its effectiveness, verified periodically, is high.

Derivative financial instruments may be designated as hedging transactions when:

- a) the hedging relationship solely consists of allowable hedging instruments and allowable hedged items;
- b) at the beginning of the hedging relationship, there is a designation and formal documentation on the hedging relationship, of the objectives of the Company with regard to risk management and of the hedging strategy;
- c) the hedging relationship satisfies the qualitative and quantitative requirements of effectiveness of the hedge.

When derivatives hedge against the risk of changes in future cash flows of the hedged asset, the effective portion of profits or losses on the derivative instrument is suspended in equity. The profits and losses associated with a hedge are recognised in the income statement as regards the ineffective portion. Cumulative profits and losses recognised in equity up to that moment are recognised in the income statement when the relative transaction occurs (adjusting or integrating the income statement items impacted by the hedged cash flows).

Therefore, the changes in fair value of hedging derivatives are recognised:

- in the income statement under items D18 or D19 in the event of fair value hedging of an asset or liability recognised in the financial statements, as well as changes in the fair value of hedged items (if the change in fair value of the hedged asset is higher in absolute terms than the change in fair value of the hedging instrument, the difference is recognised under the relative income statement item of the hedged item);
- in a specific equity reserve (under the item AVII "Cash flow hedging reserve") in the event of hedging of cash flows using methods to offset the effects of the hedged flows (the ineffective component, as well as the change in time value of the options and forwards, is classified under items D18 and D19).

For derivative financial instruments classified as trading, which do not satisfy the requirements to be handled in hedge accounting, the changes in fair value are recognised in the statement of financial position and posted to the income statement under items D18 and D19 upon subsequent measurement and when the derivative is eliminated from the accounts.

## POST-EMPLOYMENT BENEFITS

Recorded within the item post-employment benefits are the amounts that employees would be entitled to receive in the event of termination of the employment relationship at the reporting date. The seniority indemnities comprising this item, namely the provisions allocated for the year and the annual revaluation of the pre-existing fund, are calculated in accordance with the regulations in effect. The Post-employment benefits are recognised under item C of liabilities and the relative provision under item B9 of the income statement.

Following the introduction of the provisions of the 2007 Italian Budget Law and relative implementation decrees, starting from 1 January 2007, the accrued post-employment benefits have been designated to pension funds or to the treasury fund established with INPS (the Italian National Social Security Institute). The accounting treatment of amounts accrued from 1 January 2007 is therefore considered as equivalent to contributions of other nature, with regard to the supplementary pension option as well as in the case of designation to the Treasury Fund established with INPS. The item therefore includes contributions accrued by employees prior to the date indicated and not yet paid, net of any advances received in accordance with the regulations in effect.

## PAYABLES

Payables are liabilities of a specified nature and certain existence that represent obligations to pay fixed or determinable amounts of cash to lenders, suppliers and other parties. The classification of payables among the various debt items is made on the basis of their nature (or origin) with respect to ordinary operations, regardless of the period of time within which the liabilities must be settled.

Payables arising from the purchase of assets are recognised when the production process for the assets has been completed and the ownership has been transferred, using the transfer of risks and benefits as the reference parameter. Payables for services are recognised when the services have been received.

Payables are recorded based on the amortised cost method, taking into account the time factor. The amortised cost method is not applicable to payables if its effects are irrelevant. The effects are considered irrelevant for current payables (namely those due in less than 12 months).

For the amortised cost method, see the description for receivables. Payable transactions in foreign currency carried out during the year are converted into Euro at the exchange rate in effect on the date of the transaction, and the difference between this amount and the amount actually paid is recognised in the income statement under financial expense and income.

The exchange rate differences resulting from alignment of the payables in foreign currency to the exchange rate at year-end with respect to the date of the transaction are recognised in the income statement.

## STATEMENT OF CASH FLOWS

The statement of cash flows includes all cash inflows and outflows during the year.

The single cash flows are presented individually in the following categories of the statement of cash flows:

- a. operating activities;
- b. investing activities;
- c. financing activities.

The categories of cash flows are presented in the order shown above.

The cash flow from operating activities is calculated using the indirect method, i.e. by adjusting the profit or loss for the year shown in the income statement.

The algebraic sum of the cash flows of each category mentioned above represents the net change (increase or decrease) of the cash and cash equivalents during the year.

The statement of cash flows is presented in scaled format.

The IFRS 10 accounting standard provides also that:

- interest paid and collected is presented separately among cash flows from operating activities, except for specific cases in which it refers directly to investments (investing activities) or financing (financing activities);
- dividends received and paid are presented separately, respectively, under operating activities or financing activities, respectively;
- cash flows relating to income tax are presented separately and classified under operating activities.

## REVENUE AND COSTS FOR THE YEAR

Revenue from the sale of goods and the provision of services relating to both core operations and ancillary activities is recognised in accordance with the accounting model introduced by IFRS 15, which came into force and applies from 1 January 2024, and which is structured as follows:

- a) determination of the total price of the agreement;
- b) identification of the basic accounting unit;
- c) valuation of the basic accounting units;
- d) revenue recognition.

The total price of the agreement can be deduced from the contractual clauses. Discounts, rebates, penalties and returns are accounted for as a reduction in revenue based on the best estimate of the consideration, taking into account historical experience and/or statistical calculations.

The Company analyses sales agreements in order to establish what the basic accounting units are, i.e. whether a single sales agreement can give rise to more than one right and obligation to be accounted for separately in relation to the individual goods, services or other benefits promised to the customer (IFRS 15.16). Separation of the individual accounting units is not carried out when the goods and services covered by the agreement are integrated or interdependent, the services covered by the agreement do not fall within the characteristic activities, each of the services covered by the sales agreement is carried out in the same financial year and when, in the presence of agreements that are not particularly complex, the separation of the individual elementary accounting units would produce irrelevant effects on the total amount of revenue.

After having determined the value of the individual elementary accounting units, the Company proceeds to record the revenue in the financial statements on an accruals basis.

For elementary accounting units that represent the sale of goods, revenue are recognised when both of the following conditions are met:

- a) the substantial transfer of the risks and benefits associated with the sale has taken place; and
- b) the amount of revenue can be reliably determined.

In assessing whether the substantial transfer of risks has taken place, the Company takes into account both qualitative and quantitative factors, without considering credit risk.

The substantial transfer of benefits takes place when the Company transfers to the counterparty the ability to decide on the use of the asset and to obtain the related benefits definitively.

Revenue from the provision of services is recognised in the income statement on the basis of the stage of completion if both of the following conditions are met:

- a) the agreement between the parties establishes that the Company is entitled to the consideration as the service is performed; and
- b) the amount of revenue earned can be reliably determined.

The stage of completion is determined using the method of proportion between the services rendered at the reporting date and the total services provided for in the agreement.

If the Company is unable to recognise revenue based on the percentage of completion method, revenue for the service provided is recognised in the income statement when the service has been fully completed.

If the Company subsequently revises its estimates underlying the initial recognition of revenue, it updates the value to reflect any additional information obtained over time regarding the assumptions or facts on which the original estimate was based (IFRS 15.34). If a contractual modification introduces an additional service for an additional fee, it is accounted for separately. In cases where only the consideration or only the services to be performed are modified, the effects of the change are accounted for by allocating the remaining contract value to the outstanding services.

Revenue, income, costs and expenses related to foreign currency transactions are determined using the spot exchange rate on the date the transaction is carried out.

Additional consideration (such as incentives and performance bonuses) is included in the total contract price only when it becomes reasonably certain. Reasonable certainty is assessed based on the Company's historical experience, forecasted data and contractual elements.



Transactions with the parent company and other ERG group companies are carried out on an arm's length basis. Costs are accounted for based on the accrual principle, regardless of the date of collection and payment, net of returns, discounts, rebates and premiums.

Financial expense is recognised for an amount equal to the amount accrued during the year. In the event of application of the amortised cost method, interest is recognised using the effective interest method.

#### **DIVIDENDS**

Dividends are recorded in the year in which they are resolved by the Shareholders' Meeting. Dividends are recognised as financial income regardless of the nature of the reserves to be distributed.

#### **FINANCIAL INCOME AND EXPENSE**

Financial income and expense are recognised on an accrual basis. Costs relating to receivables factoring transactions for any reason (with or without recourse) and of any nature (trade, financial or other) are recognised in the year in which they arose. Financial expense is recognised for an amount equal to the amount accrued during the year.

#### **FOREIGN CURRENCY ITEMS**

Non-monetary assets and liabilities originally stated in foreign currency are recognised in the statement of financial position at the exchange rate in effect upon their purchase, or at the initial recognition cost.

Monetary assets and liabilities originally stated in foreign currency are converted in the financial statements at the spot exchange rate at the end of the year; the relative exchange rate gains and losses are recognised in the income statement and any net income is allocated to a specific non-distributable reserve until realisation.

#### **CURRENT, PREPAID AND DEFERRED TAXES**

Current taxes are calculated on the basis of a realistic forecast of taxable income for the year, determined in accordance with tax legislation and by applying the tax rates in effect at the reporting date. The relative tax payable is recorded in the statement of financial position net of advances paid, withholdings and tax credits that can be offset and not requested as reimbursement; if the advances paid, withholdings and credits exceed the taxes due, the related tax credit is recorded.

The Company participates in the national tax consolidation scheme of the parent ERG S.p.A. for IRES purposes. The tax consolidation agreement requires each company adopting the tax consolidation to transfer its taxable income (or tax loss) to the consolidating company. The consolidating company then records a credit in respect of the consolidated company equal to the IRES payable (the consolidated company instead records a payable to the consolidating company). Conversely, for companies recording a tax loss, the consolidating company recognises an IRES tax payable on the portion of the loss actually offset at group level (the consolidated entity records a tax receivable due from the consolidating company).

Furthermore, in the case of companies recording excess interest expense, excess interest income or excess ROL, the consolidating company recognises a payable equal to 24% of 50% of the excess interest expense or the excess interest income or the excess ROL transferred and offset at group level (in these cases, the consolidated company recognises a receivable from the consolidating company).

The statement of financial position therefore includes the receivables from and payables to the consolidator as a result of quantification of the tax advantages granted and received.

Tax payments are arranged by the Consolidator.

Deferred tax assets and liabilities are calculated and allocated on the basis of temporary differences between the value assigned to a given asset or liability in accordance with statutory provisions and the value assigned for tax purposes, in compliance with the principles of prudence and accrual accounting. They are measured by taking into account the presumed tax rate that the Company expects to apply in the year in which the differences will be considered in forming the tax result, considering the rates in force or already confirmed at the reporting date and allocated respectively to the "deferred tax provision" as part of the provisions for risks and charges under liabilities and item 5-ter) "deferred tax assets" under current assets.

Deferred tax assets are recognised for all deductible temporary differences in compliance with the principle of prudent accounting, if there is reasonable certainty of taxable income not less than the total differences to be offset in the year in which they will be reversed.

Vice versa, deferred tax liabilities are recognised on all taxable temporary differences.

In compliance with the provisions of Article 2424 of the Italian Civil Code, deferred tax assets are indicated in the Statement of Financial Position in the item "Deferred tax assets" under current assets, whilst deferred tax liabilities are indicated under "Provisions for risks and charges" in the item "Deferred tax provision". The Notes to the Financial Statements include a statement of the temporary differences that led to the recognition of deferred tax assets and liabilities, specifying the rate applied and the changes compared to the previous year, the amounts debited or credited to the income statement or to equity and the items excluded from the calculation, as well as the amount of deferred tax assets recorded in the financial statements relating to losses for the year or previous years and the amount of taxes not yet recorded.

The rate used to calculate deferred taxes is the nominal IRES (corporate tax) rate of 24% and the IRAP, where envisaged under the regulations in force.

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 Tax envisaged by Pillar 2 prepared by OECD as part of Action 1 of the BEPS ("Base Erosion and Profit Shifting") project. This Directive was transposed into Italian law by Legislative Decree no. 209 of 27 December 2023, which entered into force on 29 December 2023. The aim is to limit harmful tax competition between countries by setting the minimum level of effective taxation at an aggregate level per country to 15% from 2024.

The ERG Group falls within the scope of application of the standard. The global minimum tax regime had an impact in 2025 on the tax rate of some countries in which the Company operates through its Subsidiaries (Bulgaria and Romania) but had no impact on the average effective tax rate of ERG Power Generation S.p.A. as the tax was applied at the level of the subsidiaries.

#### **INTRA-GROUP RELATIONS AND RELATIONS WITH RELATED PARTIES**

Please refer to the relevant section at the end of these Notes to the Financial Statements for the disclosure relating to intra-group relations and relations with related parties.

Transactions with the parent company and other ERG group companies are carried out on an arm's length basis.

#### **COMMITMENTS, GUARANTEES, CONTINGENT LIABILITIES AND CONTINGENT ASSETS**

The total amount of commitments, guarantees and contingent liabilities not indicated in the statement of financial position are stated in the relative paragraphs of these Notes to the Financial Statements.

Commitments represent obligations undertaken by the Company towards third parties that originate from legal transactions with certain obligatory effects that have not yet been executed by either of the two parties. The 'commitments' category includes both commitments whose fulfilment and relative amount are certain, and commitments whose fulfilment is certain but whose relative amount is not. The amount of the commitments is the par value that can be deduced from the relative documentation. If the commitment is not quantifiable, it is reported in the notes to the financial statements.

Guarantees include both real and personal guarantees provided by the Company. These guarantees are those issued by the Company with reference to its own or others' obligations. The relative value corresponds to the value of the guarantee provided or, if this is not determined, to the best estimate of the risk assumed in light of the situation existing at that time.

The contingent liabilities not included in the statement of financial position include those deemed probable, but whose amount can only be determined in a random and arbitrary way, and those deemed possible. Similarly, the specific paragraph indicates the assets and potential profits deemed probable that have not been recorded in the financial statements due to compliance with the principle of prudence.

#### **EVENTS AFTER THE REPORTING DATE**

Events occurring after the financial year-end that highlight conditions already existing at the balance sheet date and that require adjustments to asset and liability amounts, in accordance with the relevant accounting standard, are recognised in the financial statements. This is done in compliance with the accrual principle to reflect the impact of such events on the financial position and performance at the financial year-end. Events occurring after the financial year-end that indicate situations arising after the reporting date and that do not require changes to the financial statement amounts, as stipulated by the relevant accounting standard, since they pertain to the following financial year, are not recognised in the financial statements. However, if deemed significant for a more comprehensive understanding of the company's situation, they are disclosed in the notes to the financial statements.

The cut-off date for considering such events is the date on which the draft financial statements are prepared by the Directors, unless events occur between that date and the date scheduled for the approval of the financial statements by the Shareholders' Meeting that have a material impact on the financial statements.

#### **COMPANY DRAWING UP THE CONSOLIDATED FINANCIAL STATEMENTS**

Starting from 2017, the Company opted to prepare IAS consolidated financial statements, drawn up in compliance with the international accounting standards issued by the International Accounting Standards Board (IASB) and regulated by the European Union.



# ANALYSIS OF THE STATEMENT OF FINANCIAL POSITION

## ASSETS

### NON-CURRENT ASSETS (EUR 2,759,485 THOUSAND)

#### Intangible assets (EUR 5,934 thousand)

(EUR thousand)	Start-up and expansion costs	Industrial patents and intellectual property rights	Concessions, licences, trademarks and similar rights	Goodwill	Assets under development and advances	Other	Total
<b>Historical cost</b>	22	14,751	616	3,754	1,860	3,610	24,613
Accumulated amortisation	(22)	(10,520)	(610)	(3,003)	-	(3,609)	(17,764)
<b>BALANCE AT 31/12/2024</b>	-	<b>4,231</b>	<b>6</b>	<b>751</b>	<b>1,860</b>	<b>1</b>	<b>6,849</b>
<b>Changes in the year:</b>							
Acquisitions	-	1,044	-	-	821	-	1,865
Capitalisations/reclassifications	-	1,524	-	-	(1,714)	-	(190)
Disposals and divestments	-	-	-	-	-	-	-
Amortisation	-	(2,214)	(1)	(375)	-	-	(2,590)
Impairment losses	-	-	-	-	-	-	-
Other changes	-	-	-	-	-	-	-
<b>Historical cost</b>	<b>22</b>	<b>17,319</b>	<b>616</b>	<b>3,754</b>	<b>967</b>	<b>3,544</b>	<b>26,222</b>
Accumulated amortisation	(22)	(12,734)	(610)	(3,378)	-	(3,543)	(20,287)
<b>BALANCE AT 31/12/2025</b>	-	<b>4,585</b>	<b>5</b>	<b>375</b>	<b>967</b>	<b>1</b>	<b>5,934</b>

At 31 December 2025, intangible assets amounted to EUR 5,934 thousand. They mainly refer to software relating to electricity marketing activities and the monitoring and control of power generation, consumption and transmission intended for long-term use and currently in use.

The item also includes EUR 375 thousand regarding the residual value at 31 December 2025 of the goodwill generated by the merger, effective 1 January 2017, with ERG Renew S.p.A.

Assets under development, totalling EUR 967 thousand, mainly refer to the development of and integration with management systems and software, wireless networks and park networks.

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

**Property, plant and equipment (EUR 2,759 thousand)**

(EUR thousand)	Land and buildings	Plant and equipment	Industrial and commercial equipment	Other assets	Assets under development and advances	Total
<b>Historical cost</b>	<b>1,227</b>	<b>322</b>	<b>6,332</b>	<b>2,928</b>	<b>119</b>	<b>10,928</b>
Revaluation	-	-	-	-	-	-
Accumulated depreciation	(156)	(147)	(4,712)	(2,657)	-	(7,672)
Loss allowance	(887)	(51)	-	-	-	(938)
<b>BALANCE AT 31/12/2024</b>	<b>184</b>	<b>124</b>	<b>1,620</b>	<b>270</b>	<b>119</b>	<b>2,316</b>
<b>Changes in the year:</b>						
Acquisitions	6	-	427	371	169	973
Capitalisations/reclassifications	-	-	119	190	(119)	190
Disposals and divestments	-	-	-	-	-	-
Depreciation	(32)	(10)	(488)	(189)	-	(719)
Impairment losses	-	-	-	-	-	-
Other changes	-	-	-	-	-	-
<b>Historical cost</b>	<b>1,233</b>	<b>322</b>	<b>6,810</b>	<b>3,454</b>	<b>169</b>	<b>11,988</b>
Accumulated depreciation	(189)	(157)	(5,132)	(2,812)	-	(8,290)
Loss allowance	(887)	(51)	-	-	-	(938)
<b>BALANCE AT 31/12/2025</b>	<b>157</b>	<b>114</b>	<b>1,678</b>	<b>642</b>	<b>169</b>	<b>2,759</b>

At 31 December 2025, property, plant and equipment amounted to EUR 2,759 thousand.

The item "Industrial and commercial equipment" includes the metallic structures used in the work warehouses and various equipment for maintenance of the wind farms of subsidiaries.

The item "Other assets" mainly refers to furniture, fittings, electronic machinery and light vehicles, as well as hardware (videowall) installed in the Energy Management Control and Bidding Centre for electricity sales activities, integrated and dynamic management of the electricity portfolio and implementation of dispatching.

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

## Financial assets (EUR 2,750,791 thousand)

### Equity investments (EUR 2,249,958 thousand)

The item includes mainly equity investments in subsidiaries detailed in the following graph:

	Registered office	Direct investment	Group's investment	Share capital <sup>(1) (2)</sup>	Equity <sup>(1) (2) (3)</sup>	Carrying amount
ERG Eolica Adriatica S.r.l.	Genoa (Italy)	100%	100%	10	77,188	69,817
ERG Eolica Campania S.r.l.	Genoa (Italy)	100%	100%	120	66,431	100,104
ERG Eolica Faeto S.r.l.	Genoa (Italy)	100%	100%	10	9,265	5,322
ERG Eolica Fossa del Lupo S.r.l.	Genoa (Italy)	100%	100%	50	111,885	46,019
ERG Eolica Ginestra S.r.l.	Genoa (Italy)	100%	100%	10	42,339	46,728
ERG Eolica San Vincenzo S.r.l.	Genoa (Italy)	100%	100%	3,500	30,622	20,875
ERG Wind Bulgaria S.r.l.	Genoa (Italy)	100%	100%	50	21,012	32,178
ERG Wind Investments S.r.l.	Genoa (Italy)	100%	100%	97,046	481,158	363,839
ERG Eolica Tirreno S.r.l.	Genoa (Italy)	100%	100%	10	21,388	22,706
Green Vicari S.r.l.	Genoa (Italy)	100%	100%	119	18,142	18,570
Breva Wind S.r.l.	Genoa (Italy)	100%	100%	7,100	437,826	438,160
Andromeda PV S.r.l.	Genoa (Italy)	78.5%	78.5%	50	62,101	96,519
ERG Solar Holding S.r.l.	Genoa (Italy)	100%	100%	20	116,442	171,677
ISAB Energy Solare S.r.l.	Genoa (Italy)	100%	100%	100	586	500
Ginestra S.r.l.	Genoa (Italy)	100%	100%	20	47,999	51,242
ERG Sviluppo Italia S.r.l.	Genoa (Italy)	100%	100%	20	2,501	2,920
Eolico Troina S.r.l. in liquidation	Palermo (Italy)	99%	99%	20	250	25
ERG France Holding S.a.s.	Paris (France)	100%	100%	209,551	243,186	260,095
ERG Wind Neunte GmbH	Hamburg (Germany)	100%	100%	25	118	88
ERG Windpark Beteiligungs GmbH	Hamburg (Germany)	100%	100%	25	(13,842)	60,969
ERG Germany Verwaltungs GmbH	Hamburg (Germany)	100%	100%	25	39	25
ERG Spain Holdco S.L.U.	Madrid (Spain)	100%	100%	4	79,752	54,179
ERG UK Holding Ltd	Edinburgh (UK)	100%	100%	0	34,500	25,914
ERG Poland Holding Sp. Z.O.O.	Warsaw (Poland)	100%	100%	10	26,759	28,509
EW Ormeta 2 sp Z.O.O.	Warsaw (Poland)	100%	100%	164,688	215,731	35,720
Corni Eolian SA	Constanța (Romania)	100%	100%	95,679	313,524	52,202
ERG USA Holding Inc	Wilmington, DE (USA)	100%	100%	0	275,392	245,045
<b>TOTAL EQUITY INVESTMENTS IN SUBSIDIARIES</b>						<b>2,249,950</b>

(1) Amounts are reported in EUR thousand

(2) The Share Capital and Equity of the companies ERG UK Holding Ltd, ERG Sweden Holding AB, ERG Poland Holding Sp. Z.O.O., EW Ormeta 2 sp Z.O.O., Laski Wind Sp. Z.O.O., Corni Eolian SA and ERG USA Holding Inc are in the local currency

(3) The company ERG USA Holding Inc was established on 2 January 2024, the table shows Equity resulting from the reporting package at 31 December 2024

In 2025, the main transactions carried out on the equity investments held directly by Company and recorded under financial assets were:

- 27 August 2025: increase in the value of the equity investment held by ERG Poland Holding sp. z o.o. through a share capital increase of EUR 198 thousand;
- 17 October 2025: increase in the value of the equity investment held by ERG Wind Park Beteiligungs through a capital contribution for an amount of EUR 750 thousand;
- 11 November 2025: increase in the value of the equity investment held by ERG Wind Park Beteiligungs through a capital contribution for an amount of EUR 48,050 thousand;
- 26 November 2025: increase in the value of the equity investment held by ERG Poland Holding sp. z.o.o through a capital contribution for an amount of EUR 27,178 thousand;
- 10 December 2025: increase in the value of the equity investment held by ERG Eolica Tirreno S.r.l. through a capital contribution for an amount of EUR 22,300 thousand;
- 10 December 2025: increase in the value of the equity investment held by ERG Sviluppo Italia S.r.l. through a capital contribution for an amount of EUR 2,600 thousand;
- 10 December 2025: increase in the value of the equity investment held by Isab Energy Solare S.r.l. through a capital contribution for an amount of EUR 500 thousand;
- 15 December 2025: increase in the value of the equity investment held by ERG France Holding S.a.s. through a share capital increase of EUR 19,000 thousand.

The following transactions to streamline the Group's corporate structure took place in 2025 in the companies directly and indirectly controlled by ERG Power Generation S.p.A:

- on 2 and 22 September 2025, the mergers by incorporation of the German companies UGE Barkow Zwei GmbH & Co. KG Umweltgerechte Energie and UGE Barkow Drei GmbH & Co. KG Umweltgerechte Energie (the "Merged Companies"), into UGE Barkow GmbH & Co. KG Umweltgerechte Energie (the "Merging Company") were completed;
- on 7 November 2025, the withdrawal agreement of ERG Wind Neunte GmbH, in its capacity as General Partner of Voltwerk Energy Park 8 GmbH & Co. KG (the "Company"), from the relevant partnership agreement with ERG Windpark Beteiligungs GmbH (the "Limited Partner") was registered with the competent Companies Register. As a result, with effect from 31 October 2025, the Company was dissolved and the Limited Partner took over all of the Company's legal rights and obligations.
- on 24 December 2025, ERG Hamburg Holding GmbH was dissolved as a result of the cross-border merger into ERG Spain Holdco S.L.U. For the purposes of the 2025 Financial Statements, the Company verified the presence of any indicators of impairment of the equity investments.

To this end, the following were considered:

- both internal and external sources of information, including indicators of physical obsolescence and accident rates, changes in the estimated residual useful life of the plants, actual trends with respect to forecasts, technological, economic or market penalties, regulatory penalties, increase in rates;
- the dividends paid in 2025 by the subsidiaries to ERG Power Generation S.p.A. and, more generally, the change in respective net financial positions compared to the prior year.

Note that no impairment was identified with regard to the equity investments of ERG Power Generation S.p.A. at 31 December 2025, following the Group's impairment tests, with the exception of the following.

With regard to the subsidiary holding company in Spain, it should be noted that, in recent financial years, the operating environment for the solar sector has been characterised by significant volatility in energy prices and uncertainty in the forward-looking projection of economic and market scenarios, as well as in the development of the renewables sector and the level of penetration of RES in the medium to long term. In view of this context, and in line with the approach already adopted in the 2024 Financial Statements, fair market value was used to determine the recoverable amount. To verify the valuations carried out, an independent third party was also commissioned to perform a valuation, which confirmed the valuations carried out by the Group. The fair value has been classified as Level 3, considering the nature and significance of the inputs used in the valuation techniques applied.

The update of these valuations, carried out in light of the most recent market evidence, has identified a reduction in the recoverable value of the Spanish solar assets. This is attributable, on the one hand, to the persistence of an unfavourable economic scenario, which during the last financial year saw, in particular, an increase in the occurrence of negative prices, and, on the other hand, to a reduction in the production levels of certain assets, particularly those acquired less recently. In view of the volatility already described, no development initiatives currently under consideration by the Group have been included in the forward-looking plans. In light of these factors, the recoverable amount of the CGU was found to be lower than the carrying amount of the investment; consequently, the value of the investment was adjusted by recognising an impairment loss of EUR 37 million.

In view of the ERG Group's intention to proceed with the disposal of its assets in Sweden (sale to be finalised in January 2026), for the sake of greater clarity in the presentation of the accounts, the investment in question has been classified in the current Separate Financial Statements under Current Assets, and recorded at cost adjusted by the impairment made to align it with the actual sale price net of disposal costs.

Any higher carrying amounts according to the historical cost criterion with respect to the equity belonging to the Company are justified by the future income expectations of the investees, which confirm their recoverability, even taking into account the uncertainties indicated in the section on the use of estimates in the "General principles in the preparation of the Financial Statements" paragraph.

At the date of preparation of these Financial Statements, and subsequent to 31 December 2025, certain external events have occurred that may potentially affect the macroeconomic environment and the energy sector in which the Group operates, in particular:

- the enactment of Italian Decree Law no. 21 of 20 February 2026 (the so-called Energy/Bills Decree Law) and
- the outbreak of armed conflict in the Middle East.

The Energy/Bills Decree Law has the stated objective of containing electricity and gas prices for households and businesses, through interventions in price formation mechanisms and via fiscal measures imposed on operators in the energy sector. Such measures could result in indirect and potentially negative effects on the revenue and margins of renewable energy operators, particularly through a possible reduction in wholesale electricity prices (PUN).

At the date of preparation of these Financial Statements, the economic effects of the Decree cannot yet be directly or reliably quantified, as:

- certain measures require coordination and implementation at European level (in particular in relation to the ETS system and market mechanisms);
- the Decree is subject to the legislative conversion process, with possible changes to the scope and intensity of the measures;
- the impact on prospective cash flows depends on external variables (commodity prices, competitive dynamics, customer behaviour) that cannot be isolated or accurately determined.

At the same time, the ongoing conflict in the Middle East represents a further factor of macroeconomic uncertainty. According to market analyses, this event has already led to immediate increases and volatility in energy prices; however, the evolution of its impacts in the short, medium and long term remains highly uncertain and dependent on geopolitical developments that cannot be predicted at present. In the short to medium term, these international dynamics could also generate effects of an opposite nature to those that may be expected in relation to the Energy/Bills Decree Law.

For the purposes of the impairment test, the Group generally determines the recoverable amount of Cash Generating Units based on business plans and long-term prospective cash flows, consistent with the useful life of the underlying assets, which in some cases extends over time horizons significantly exceeding twenty years. In this context, the potentially opposing effects of the two events described above, together with the high degree of uncertainty that characterises them, do not allow, at the date of preparation of the financial statements, a reliable determination of a specific and structural impact on the cash flows used to estimate the recoverable amount.

In accordance with IAS 36, the assumptions used in the Group's impairment tests reflect management's best estimates at 31 December 2025, based on reasonable and supportable information, without incorporating future effects whose probability of occurrence or economic impact cannot be reliably determined.

In this context, management believes that the sensitivity analyses carried out on energy prices — and in particular the scenario assuming a 5% reduction in total energy sales revenue compared with the reference values — may incorporate, albeit indicatively, the potential indirect economic effects that cannot be precisely quantified and that are attributable to the measures introduced by the Energy/Bills Decree Law.

Conversely, as already noted, the ongoing geopolitical conflict could lead, at least in the short term, to energy price dynamics of the opposite nature, characterised by increases and greater volatility, the evolution of which in the medium to long term cannot currently be reliably predicted.

### Receivables (EUR 500,833 thousand)

(EUR thousand)	31/12/2025	31/12/2024
Non-current loan assets from subsidiaries	498,227	1,533,625
Non-current loan assets from others	2,606	1,020
<b>Total</b>	<b>500,833</b>	<b>1,534,645</b>

The item "Non-current loan assets from subsidiaries" includes loans receivable from directly and indirectly controlled Group companies and the main changes in this item compared with the previous financial year are discussed below.

During the 2025 financial year, a new loan was granted to Green Vicari S.r.l. for a maximum amount of up to EUR 30 million to complete the Storage project, which was awarded the Provisional Acceptance Certificate (PAC) on 29 October 2025.

The amounts of the following main loans were increased in favour of:

- ERG France Holding S.a.s. for approximately EUR 81.5 million, mainly for the repayment of the bank loan to the French company C.E.P.E. Renouvellement Haut Cabardès (approximately EUR 61 million);
- ERG UK Holding Limited for approximately EUR 130.3 million to complete a wind farm currently under construction and to acquire the entire share capital of BayWa r.e. (Jubilee) Limited, a company that owns Broken Cross Wind Farm Limited, which owns a 43.2-MW onshore wind farm in South Lanarkshire, Scotland.

The following receivable waivers were made in favour of:

- ERG Sviluppo Italia S.r.l. for EUR 2.6 million on 10 December 2025;
- Isab Energy Solare S.r.l. for EUR 0.5 million on 10 December 2025;
- ERG France Holding S.a.s. of EUR 19 million on 15 December 2025.

The following loans were closed with the following companies:

- ERG USA Holding Inc;
- Andromeda PV S.r.l.;
- ERG Wind Energy S.r.l.;
- Voltwerk Energy Park 8 GmbH & Co. KG, whose loan was transferred to ERG Windpark Beteiligungs GmbH as a result of the merger due by absorption on 7 November 2025.

In view of the ERG Group's intention to proceed with the disposal of its assets in Sweden (sale to be finalised in January 2026), for the sake of greater clarity in the presentation of the accounts, the balance of the financial receivable from ERG Sweden Holding AB at 31 December 2025 has been reclassified to current assets (EUR 20 million).

Furthermore, in anticipation of the conversion of part or all of the financial receivables into a capital contribution to certain subsidiaries – a decision taken by management at the end of 2025 and due to be finalised in 2026 – the Company has reclassified EUR 1,020,970 thousand of financial receivables from non-current assets to current assets.

The following table summarises the amounts reclassified to current assets for each company:

**(EUR thousand)**

ERG France Holding S.a.s.	320,000
ERG UK Holding Ltd	403,000
ERG Spain Holdco S.L.U.	150,000
ERG Windpark Beteiligungs GmbH	55,000
ERG Eolica Tirreno S.r.l.	46,651
Ginestra S.r.l.	46,319
<b>Total</b>	<b>1,020,970</b>

In detail, a summary of the loan assets by Country of the subsidiaries is provided below.

**(EUR thousand)**

	31/12/2025	31/12/2024
Poland	85,179	106,728
France	93,067	382,032
Germany	46,321	125,558
UK	84,301	367,558
Italy	162,799	293,791
Sweden	-	83,441
Spain	26,560	174,458
United States	-	57
<b>Total</b>	<b>498,227</b>	<b>1,533,625</b>

All loans are interest-bearing, and the following graph summarises the rates applied for each company (in line with market rates):

Company	Country	Rate applied
EW Orneta 2	Poland	12-month Euribor plus 305 basis points
ERG Poland Holding sp. z o.o.	Poland	12-month Euribor plus 305 basis points
ERG France Holding S.a.s.	France	6-month Euribor plus 260 basis points
Wind Park Linda GmbH & Co. KG	Germany	12-month Euribor plus 200 basis points
ERG Windpark Beteiligungs GmbH	Germany	12-month Euribor plus 305 basis points
ERG UK Holding Ltd	Great Britain	12-month Euribor plus 250 basis points
ERG Spain Holdco S.L.U.	Spain	12-month Euribor plus 260 basis points
Isab Energy Solare S.r.l.	Italy	12-month Euribor plus 260 basis points
ERG Solar Piemonte 3 S.r.l.	Italy	12-month Euribor plus 305 basis points
Ginestra S.r.l.	Italy	12-month Euribor plus 305 basis points
ERG Sviluppo Italia S.r.l.	Italy	12-month Euribor plus 260 basis points
ERG Eolica Tirreno S.r.l.	Italy	12-month Euribor plus 260 basis points
Green Vicari S.r.l.	Italy	12-month Euribor plus 260 basis points
ERG Wind Holdings (Italy) S.r.l.	Italy	12-month Euribor plus 270 basis points
ERG Wind Sicilia 6 S.r.l.	Italy	12-month Euribor plus 260 basis points
ERG Sviluppo Italia S.r.l.	Italia	Euribor 12 mesi più 260 basis points
ERG Wind Energy S.r.l.	Italia	Euribor 12 mesi più 260 basis points
ERG Wind Holdings (Italy) S.r.l.	Italia	Euribor 12 mesi più 270 basis points
ERG Wind Sicilia 6 S.r.l.	Italia	Euribor 12 mesi più 260 basis points

The item "Non-current receivables from others" mainly comprises amounts due from ECC (European Commodity Clearing) relating to the margin deposit on the fair value of the contracts stipulated (Futures) for EUR 1,040 thousand, receivables amounting to EUR 983 thousand relating to the acquisition of a new project and, residually, security deposits paid to suppliers.

## CURRENT ASSETS (EUR 1,372,191 THOUSAND)

### Inventories (EUR 21,399 thousand)

(EUR thousand)	31/12/2025	31/12/2024
Inventories of spare parts	18,269	16,874
Inventory write-down provision	(1,685)	(1,717)
<b>Total</b>	<b>16,584</b>	<b>15,156</b>
Inventories of contracts in progress	4,815	5,758
<b>Total</b>	<b>21,399</b>	<b>20,914</b>

The item "Spare parts inventories", net of the inventory write-down provision, is equal to EUR 16,584 thousand at 31 December 2025 and reflects the value of the spare parts necessary to conduct maintenance work on the aerogenerators, wind turbines and photovoltaic systems. The slight increase in this item at 31 December 2025 compared to 31 December 2024 is mainly due to the rise in spare parts stock for WTGs due to breakages, obsolescence and long delivery times. The inventory write-down provision at 31 December 2025 is deemed to express the decrease in functionality of a part of the spare parts inventory.

The item "Inventories of contracts in progress" in the 2025 Financial Statements includes the works relating to the Repowering project and, in particular, the change in the period in engineering costs, third-party services and ancillary charges, including internal personnel expense sustained for the Repowering projects, net of chargebacks made to the subsidiaries owning the wind farms. This item is lower than in the 2024 financial year, mainly due to the recharging to the subsidiary ERG Wind Energy S.r.l. of all deferred costs relating to the repowering of the wind farms at Greci/Montaguto and Carlentini 1 and Carlentini 2, amounting to EUR 1.9 million.

### Receivables (EUR 1,149,780 thousand)

Receivables can be summarised as follows:

(EUR thousand)	31/12/2025	31/12/2024
Receivables from customers	32,648	45,477
Receivables from subsidiaries	1,063,682	12,181
Receivables from parent companies	26	6,971
Tax assets	19,240	13,059
Deferred tax assets	4,123	4,315
Receivables from others	30,062	68,884
<b>Total</b>	<b>1,149,780</b>	<b>150,887</b>

### Receivables from customers (EUR 32,648 thousand)

Receivables from customers comprise mainly:

- receivables relating to the sale of electricity generated by the Italian wind farms and solar farms of its subsidiaries and to GME, amounting to EUR 5,540 thousand;
- receivables relating to the sale of electricity pertaining to Power Purchase Agreements for EUR 18,807 thousand;
- receivables relating to the sale of electricity to wholesale customers of EUR 7,801 thousand.

The receivables from customers at 31 December 2025 are mostly from Italian customers and are due for payment within the following year.

It should be noted that the loss allowance of EUR 2,928 thousand allocated in previous years was used in full in 2025 to write off a receivable dating back to previous years.

### Receivables from subsidiaries (EUR 1,063,682 thousand)

This item is mainly broken down as follows:

- trade receivables for EUR 22,482 thousand, mainly attributable to the services rendered and not yet collected under the Operation & Maintenance and B.o.P. contracts on wind and solar farms of the Italian subsidiaries. The item also includes services charged to all subsidiaries under the administrative and corporate service agreement.
- other assets for EUR 150 thousand, relating to various charge-backs (EUR 92 thousand) and receivables from subsidiaries for group VAT (EUR 58 thousand). Note that with effect from 1 January 2022, ERG Power Generation S.p.A. operates as parent company within the scope of the group VAT settlement procedure pursuant to Article 73 of Italian Presidential Decree no. 633 of 26/10/1972 and to the Italian Ministerial Decree of 13 December 1979.
- financial receivables from the subsidiary ERG Sweden Holding AB amounting to EUR 20,081 thousand (as described in the section "Financial assets – Receivables" of these Notes to the Financial Statements). It should be noted that on 30 April 2025, the Company waived a receivable of EUR 64 million in favour of ERG Sweden Holding AB;
- financial receivables from the subsidiaries ERG France Holding S.a.s. (EUR 320,000 thousand); ERG UK Holding Ltd (EUR 403,000 thousand), ERG Spain Holdco S.L.U. (EUR 150,000 thousand), ERG Windpark Beteiligungs GmbH (EUR 55,000 thousand), ERG Eolica Tirreno S.r.l. (EUR 46,651 thousand) and Ginestra S.r.l. (EUR 46,319 thousand), as described in the section "Financial assets – Receivables";
- it should be noted that on 10 December 2025, the Company waived a receivable in favour of ERG Eolica Tirreno S.r.l. of EUR 22,300 thousand.

### Receivables from parent companies (EUR 26 thousand)

Trade receivables from the direct parent company ERG S.p.A., amounting to EUR 26 thousand, relate to the chargeback of HSE service costs in the fourth quarter of 2025.

At 31 December 2024, this item mainly referred to the IRES receivable from the direct parent company ERG S.p.A. for the remuneration of prior tax losses and interest income transferred to the ERG Group's Tax Consolidation (for EUR 6,695 thousand).

### Tax assets (EUR 19,240 thousand)

This item mainly includes:

- the receivable from the tax authorities for group VAT of EUR 17,676 thousand;
- the receivable from the tax authorities for IRAP of EUR 760 thousand;
- excise duty credits on electricity and gas amounting to EUR 359 thousand;
- the amount requested for reimbursement relating to the tax inspection for 2004 for EUR 55 thousand.
- The amount also includes taxes paid pending a ruling by the merged company ISAB Energy Services S.p.A. (EUR 171 thousand).

The increase in this item compared with the previous financial year is mainly due to the fact that, in the 2024 financial year, the receipt of part of the VAT receivable was brought forward through factoring arrangements with a bank.

### Deferred tax assets (EUR 4,123 thousand)

The deferred tax assets relate to the tax effect of the deductible temporary differences that will be repaid in future years. The breakdown of the main temporary differences and related tax effects are presented below:

(EUR thousand)	31/12/2025		31/12/2024	
	Amount of temporary differences	Tax effect	Amount of temporary differences	Tax effect
Write-down of inventory	1,685	486	1,717	495
Other provisions	3,858	1,026	4,271	1,147
Other changes in IRES (Corporate tax)	9,669	2,517	8,960	2,331
Derivative instruments	329	95	1,186	342
<b>TOTAL</b>	<b>15,540</b>	<b>4,123</b>		<b>4,315</b>

Maintenance of the deferred tax assets in the financial statements for the year ended on 31 December 2025 is supported by reasonable elements of certainty regarding their recoverability in the years in which they are expected to be repaid.

This assumption is mainly based on the fact that the company forms part of the tax consolidation regime with the parent company ERG S.p.A., in view of the expected Group taxable amounts.

The zeroing of deferred tax assets calculated on the tax loss accrued in 2022 is due to their use within the ERG tax unit to reduce the group's taxable income in 2025.

It should be noted that Italian Decree Law no. 21/2026 (so-called Bills Decree) provides for a two-percentage-point increase in the IRAP rate applicable to businesses operating in the energy sector for the 2026 and 2027 tax years. This provision has no significant effects on the Company's financial statements.

### Receivables from others (EUR 30,062 thousand)

(EUR thousand)	31/12/2025	31/12/2024
Receivables from GME	40	40
Receivables under Italian Law no. 488/1992	26,149	25,233
Other assets	3,873	43,611
<b>Total</b>	<b>30,062</b>	<b>68,884</b>

The item "Receivables under Italian Law no. 488/1992" also includes receivables of EUR 26,149 thousand from Engie, referring to recovery of the revaluation and interest on the disbursements of Italian Law no. 488/1992, arising from the company ERG Renew S.p.A. merged from 1 January 2017. The increase of EUR 0.9 million relates to the adjustment of the receivable to reflect the interest accrued by the subsidiaries on the amounts subject to litigation.

The item "other assets" in 2024 consisted mainly of investments in time deposits amounting to EUR 25,798 thousand, and receivables relating to "overnight deposit accounts" amounting to EUR 16,856 thousand; in 2025, the item comprises mainly receivables relating to "overnight deposit accounts" amounting to EUR 2,812 thousand, trade advances and other minor items. It should be noted that "other assets" are presented net of a write-down recognised in view of the uncertainty surrounding the collectability of the receivables in question.

## Current financial assets (EUR 190,130 thousand)

### Equity investments in subsidiaries (EUR 50,085 thousand)

At 31 December 2025, this item consists of the investment in ERG Sweden Holding AB, amounting to EUR 50.1 million. In view of the ERG Group's decision to proceed with the disposal of its assets in Sweden (a sale subsequently finalised in January 2026), for the sake of greater clarity in the presentation of the accounts, the aforementioned investment has been classified in the present Separate Financial Statements under the relevant item recorded under Current Assets.

During 2025, the following changes were recorded in relation to the equity investment in question:

- 30 April 2025: increase in the value of the equity investment by effect of the capital contribution for an amount of EUR 64 million;
- 23 December 2025: increase in the value of the equity investment by effect of the capital contribution for an amount of EUR 10 million;
- at 31 December 2025, write-down of the equity investment for approximately EUR 37 million to bring its value in line with its estimated realisable value, which corresponds to the sale price net of the costs associated with the sale. It should be noted that in determining the sale price of the equity investment, account was taken of the amount paid to the acquirer's company (EUR 71 million), the value of the receivables due to ERG Power Generation (EUR 20 million) from the company and the ancillary costs associated with the sale (approximately EUR 1 million).

### Derivative financial instruments (EUR 19,259 thousand)

The item includes derivative financial instruments with a positive fair value at the measurement date, generated in particular by the positive net impact of the measurement at 31 December 2025 of the hedging derivatives and the Virtual Power Purchase Agreement with positive fair value. The positive fair value is shown below broken down by delivery date:

(EUR thousand)	within 12 months	within 12 months	after 5 years
Financial derivative assets	5,112	2,631	11,516

### Financial assets for centralised treasury management in respect of parent company (EUR 120,011 thousand)

The item, equal to EUR 120,011 thousand, expresses the balance, at 31 December 2025, of the financial position towards the direct parent company ERG S.p.A. in the "zero balance" cash pooling ratio. The Company has granted ERG S.p.A. an exclusive mandate with representation to enter into a "zero balance" cash pooling system with Unicredit S.p.A. bank in the name and on behalf of the principal. Through cash pooling, the transfer of each transaction recorded on the bank accounts of the principal company to the current account in the name of the principal at the same bank is carried out on a daily basis and with the same value, thus zeroing the balance of the current account of the principal company at the end of the day.

The increase in this item compared with the previous financial year is mainly attributable to the rise in cash flow generated by the operating activities of the Italian subsidiaries.

### Financial assets for centralised treasury management in respect of subsidiaries (EUR 776 thousand)

This item relates to interest accrued at 31 December 2025, primarily in respect of the subsidiaries ERG UK Holding Limited (EUR 620 thousand) and ERG Windpark Beteiligungs GmbH (EUR 95 thousand).

### Cash and cash equivalents (EUR 10,882 thousand)

(EUR thousand)	31/12/2025	31/12/2024
Bank and postal deposits	10,882	12,338
<b>Total</b>	<b>10,882</b>	<b>12,338</b>

The item includes the credit balances on bank current accounts, the carrying amount of which represents the estimated realisable value.

### Prepayments and accruals (EUR 5,233 thousand)

(EUR thousand)	31/12/2025	31/12/2024
Other prepaid expenses	5,215	6,714
Prepaid expenses - insurance premiums	17	23
Prepaid expenses - other payments	1	1
Other accrued income	-	19
<b>Total</b>	<b>5,233</b>	<b>6,756</b>

In the 2025 financial year, the item "Other prepaid expenses" mainly includes costs for guarantees of origin purchased by the wind and solar subsidiaries and not yet resold at 31 December 2025 and costs for maintenance and other services paid in the year and pertaining to the following year.

The estimated classification by expiry of the items registered under assets is presented below:

	within 12 months	within 5 years	after 5 years	Total
<b>Receivables under financial assets</b>				
- from subsidiaries		498,227		498,227
- from others	1,041	1,565		2,606
<b>Receivables under current assets</b>				
- from customers	32,648			32,648
- from subsidiaries	1,063,682			1,063,682
- from parent companies	26			26
- deferred tax assets	98	3,549	476	4,123
- tax assets	19,240			19,240
- from others	3,870	26,191		30,062
<b>TOTAL</b>	<b>1,120,605</b>	<b>529,533</b>	<b>476</b>	<b>1,650,614</b>

## LIABILITIES

### EQUITY (EUR 3,555,982 THOUSAND)

#### Share Capital (EUR 100,000 thousand)

The share capital at 31 December 2016, fully paid in, comprised 600,000 shares with a nominal amount of EUR 10 each for a total of EUR 6,000 thousand, and was fully held by ERG S.p.A.

The merger deed of 21 December 2016 in particular had provided full execution of the resolution of the Shareholders' Meeting of 18 November 2016 which had envisaged, effective 1 January 2017, a share capital increase of the merging entity ERG Power Generation S.p.A. for a total of EUR 94,000,000, with the issue of 9,400,000 new shares with a par value of EUR 10 each, assigned to the company ERG S.p.A., sole shareholder of the merging entity.

At 31 December 2025, the share capital amounts to EUR 100,000 thousand.

#### Share premium reserve (EUR 7,000 thousand)

The Company's Shareholders' Meeting of 20 June 2014 had decided to increase the share capital from EUR 5,000 thousand to EUR 6,000 thousand, i.e. by EUR 1,000 thousand, by issuing 100,000 shares with a par value of EUR 10 each and a share premium of EUR 7,000 thousand as payment for the "Power Business Unit", which took place on 1 July 2014.

#### Revaluation reserve (EUR 2,221 thousand)

The revaluation reserves, in the amount of EUR 37 thousand, had been transferred following the merger of ISAB Energy Services S.r.l. on 1 January 2015, which in turn derived from the spin-off from ERG Nuove Centrali S.p.A. on 1 July 2007 in proportion with its equity at 30 June 2007, transferred with the spin-off.

Italian Decree Law no. 104/2020 ("Decreto Agosto" – August Decree) reintroduced the possibility of revaluing company assets and carrying out the so-called "realignment" of misalignments between the statutory and tax reporting values. Subsequently, the 2021 Budget Law extended the possibility of realigning tax values to the statutory values, including for goodwill and other intangible assets. The Company decided to realign the goodwill recognised in the 2020 financial statements and consequently placed a portion of the retained earnings reserves in a special provision, in the amount of EUR 2,185 thousand, corresponding to the value of the realignment made net of the substitute tax due. The amount of the revaluation reserves is fully subject to tax suspension.

#### Legal reserve (EUR 20,000 thousand)

The legal reserve was established in 2012 following the decision by the ordinary Shareholders' Meeting of 16 April 2012, which approved the financial statements for 2011.

The Shareholders' Meeting held on 22 April 2015 had approved the financial statements for 2014 and voted to allocate 5% of the total profit for the period, amounting to EUR 632 thousand, to the reserve.

The Shareholders' Meeting held on 21 April 2016 had approved the financial statements for 2015 and voted to allocate EUR 507 thousand to the reserve.

The Shareholders' Meeting held on 19 April 2017 resolved to allocate EUR 3,838 thousand to the reserve.

The Shareholders' Meeting held on 19 April 2018 resolved to allocate EUR 3,924 thousand to the reserve.

The Shareholders' Meeting held on 16 April 2019 resolved to allocate EUR 3,034 thousand to the reserve.

The Shareholders' Meeting held on 20 April 2020 resolved to allocate EUR 5,829 thousand to the reserve.

The Shareholders' Meeting held on 22 April 2021 resolved to allocate EUR 2,174 thousand to the reserve.

The legal reserve is therefore equivalent to a total amount of one-fifth of the share capital.

**Other reserves (EUR 2,477,400 thousand)**

The item "Other reserves" comprises the capital account payment by parent company ERG S.p.A. for a total amount of EUR 1,858,733 thousand, of which EUR 261,733 thousand in 2015 and EUR 700,000 thousand in July 2016, following the decision by Erg S.p.A. to make a capital contribution in favour of ERG Power Generation S.p.A. and extinguish the existing loan between ERG S.p.A. and ERG Power Generation S.p.A. via offsetting.

The item also consists of the capital contribution made by the parent company ERG S.p.A. for a total amount of EUR 350 million, resolved on 15 October 2020.

In order to strengthen the equity/financial structure of ERG Power Generation S.p.A., the Board of Directors of ERG S.p.A. had resolved, on 11 November 2022, to waive a portion of the receivable deriving from the Credit Line equal to EUR 517 million, and convert it into a capital payment of the same amount.

In order to further strengthen the equity and financial structure of ERG Power Generation S.p.A., on 30 March 2023 the parent company ERG S.p.A. had decided to waive part of the receivable deriving from the existing line of credit, amounting to EUR 30 million, and to convert it into a capital injection in favour of ERG Power Generation S.p.A.

Other reserves also include the extraordinary reserve to which EUR 5,830 was allocated, as a result of the share capital reduction in financial year 2011, and the merger surplus amounting to EUR 5,855 thousand, relative to the merger by incorporation of ISAB Energy Services S.r.l. on 1 January 2015.

The subject item includes also an amount equal to EUR 606,980 thousand, of which EUR 607,050 thousand referring to the equity of companies ERG Renew S.p.A. and ERG Renew Operation & Maintenance S.r.l., incorporated into ERG Power Generation S.p.A. as from 1 January 2017, and EUR 70 thousand related to reclassification of the item Retained earnings of profit and loss carried forward of the branches eliminated from the Company as from 1 January 2018.

The remaining portion consists of sundry reserves of insignificant amount (EUR 2 thousand) transferred to the company following the merger through incorporation of ISAB Energy Services S.r.l. on 1 January 2015. This amount is subject to tax suspension.

**Cash flow hedging reserve (EUR 488 thousand)**

This item comprises the fair value changes of the effective component of the hedging derivatives open at the reporting date, net of deferred taxes.

**Retained earnings (EUR 905,956 thousand)**

This item includes the profits and losses carried forward from previous years.

Note that on 11 December 2025, the Shareholders' Meeting resolved the distribution of EUR 70,000 thousand in retained earnings in favour of the sole shareholder ERG S.p.A.

The graph showing the changes in the equity items of the Company over the past three years is shown below:

(EUR)

	Share capital	Share premium reserve	Revaluation reserves	Legal reserve	Other reserves	Hedging reserve	Retained earnings (Accumulated losses)	Profit (loss) for the year	Total Equity
<b>BALANCE AT 31/12/2022</b>	<b>100,000</b>	<b>7,000</b>	<b>2,221</b>	<b>20,000</b>	<b>2,447,400</b>	<b>(120,893)</b>	<b>454,100</b>	<b>368,329</b>	<b>3,278,158</b>
Distribution of dividends	-	-	-	-	-	-	(50,000)	-	(50,000)
Allocation of prior year profit (loss)	-	-	-	-	-	-	368,329	(368,329)	-
Capital account payments	-	-	-	-	30,000	-	-	-	30,000
Profit (loss) for the year	-	-	-	-	-	-	-	153,668	153,668
<b>Balance at 31/12/2023</b>	<b>100,000</b>	<b>7,000</b>	<b>2,221</b>	<b>20,000</b>	<b>2,477,400</b>	<b>2,404</b>	<b>772,429</b>	<b>153,668</b>	<b>3,535,123</b>
Distribution of dividends	-	-	-	-	-	-	(60,000)	-	(60,000)
Allocation of prior year profit (loss)	-	-	-	-	-	-	153,668	(153,668)	-
Capital account payments	-	-	-	-	-	-	-	-	-
Other changes	-	-	-	-	-	3,729	-	-	3,729
<b>Balance at 31/12/2024</b>	<b>100,000</b>	<b>7,000</b>	<b>2,221</b>	<b>20,000</b>	<b>2,477,400</b>	<b>6,133</b>	<b>866,097</b>	<b>109,859</b>	<b>3,588,711</b>
Distribution of dividends	-	-	-	-	-	-	(70,000)	-	(70,000)
Allocation of prior year profit (loss)	-	-	-	-	-	-	109,859	(109,859)	-
Capital account payments	-	-	-	-	-	-	-	-	-
Other changes	-	-	-	-	-	(5,645)	-	-	(5,645)
Profit (loss) for the year	-	-	-	-	-	-	-	42,916	42,916
<b>Balance at 31/12/2025</b>	<b>100,000</b>	<b>7,000</b>	<b>2,221</b>	<b>20,000</b>	<b>2,477,400</b>	<b>488</b>	<b>905,956</b>	<b>42,916</b>	<b>3,555,982</b>

The following graph lists equity items, indicating the possible utilisation for each of them, as well as any tax restrictions. .



(EUR thousand)	Amount	Possibility of utilisation	Possibility of utilisation	Amount subject to tax suspension
Share/quota capital	100,000	-	-	3,009
Revaluation reserves	2,221	A,B,C	2,221	2,221
Share premium reserve	7,000	A,B,C	7,000	
Legal reserve	20,000	B	20,000	
Other reserves/Capital account payment	1,858,733	A,B,C	1,858,733	
Other reserves	11,687	A,B,C	11,687	2
Other reserves/Merger reserve 2017	606,980	A,B,C	606,980	
Cash flow hedging reserve	488	-	-	
Retained earnings	905,956	A,B,C	905,956	
Profit for the year	42,916	-	-	
<b>TOTAL</b>	<b>3,555,982</b>		<b>3,412,579</b>	<b>5,232</b>

Key:

A - for share capital increase

B - for loss coverage

C - for distribution to shareholders

The Company did not allocate deferred tax liabilities on the capital portion related to operations subject to tax on distribution (for EUR 3,009 thousand) or on the revaluation reserves (for EUR 2,221 thousand) since no utilisation that could generate taxation is expected.

### Provision for risks and charges (EUR 13,117 thousand)

(EUR thousand)	31/12/2025	31/12/2024
Provision for taxes, including deferred	293	2,826
Financial derivative liabilities	7,547	10,751
Other provisions	5,278	3,916
<b>Total</b>	<b>13,117</b>	<b>17,493</b>

The breakdown of deferred taxes is shown in the following graph:

	31/12/2025		31/12/2024	
	Amount of temporary differences	Tax effect	Amount of temporary differences	Tax effect
Derivative instruments	1,016	293	9,804	2,826
<b>TOTAL</b>		<b>293</b>		<b>2,826</b>

The item derivative financial instrument liabilities, equal to EUR 7,547 thousand, includes derivative financial instruments with negative fair value at the measurement date, generated in particular by the net negative impact of the measurement at 31 December 2025 of the "Contracts for Difference".

The negative fair value is shown below broken down by delivery date:

	within 12 months	within 5 years	after 5 years
Financial derivative assets	6,529	1,018	-

A summary of the item "Other funds" is provided below:

(EUR thousand)	31.12.2024	Increases	Decreases	Reclassifications	31.12.2025
Provision to cover losses of investees	550	-	-	-	550
Other current provisions	872	668	(412)	1,844	2,972
Provisions for current environmental risks	6	-	-	-	6
Other non-current provisions for charges	2,487	-	(738)	-	1,749
<b>Total</b>	<b>3,916</b>	<b>668</b>	<b>(1,150)</b>	<b>1,844</b>	<b>5,278</b>

The item "Provision to cover losses of investees" relates primarily to potential costs arising from a dispute with a developer of a wind power subsidiary.

The item "other provisions for current charges" is composed partly of potential charges relating to the evolution of risks connected with the electricity business and partly of charges relating to the judgment brought by Gepafin S.p.A. (for a total of EUR 2,341 thousand).

The item "other provisions for non-current charges" is mainly composed of probable future outlays related to discontinued businesses.

The transactions in the provisions for risks in 2025 are outlined below:

- a provision under Other provisions for current charges of EUR 668 thousand, mainly referring to probable risks relating to the energy business and charges relating to the proceedings brought by Gepafin S.p.A.;
- decrease in the item Other provisions for current charges of EUR 412 thousand, mainly relating to the use of the provision for the occurrence of risks related to the electricity business (EUR 300 thousand);
- decrease in the item Other provisions for non-current charges against a use of EUR 738 thousand of the provision to cover the charges incurred in relation to the redefinition of the corporate structure of the group;
- a reclassification of the amount of EUR 1,844 thousand recognised in previous financial years under the item "Other payables" referring to the potential payable deriving from the merger of ERG Renew S.p.A., relating to the valuation of a disposal option equal to 0.69% of Ansaldo Fuel Cells S.p.A. granted by ERG Renew S.p.A. to Gepafin S.p.A. expiring on 29 January 2009. Gepafin had brought legal proceedings to obtain payment of the debt; at present, the case in question is pending before the Court of Cassation. As a result of the reclassification described above, the item "other provisions for current charges" therefore includes the nominal value of the dispute, as well as the related interest and revaluations.

#### Post-employment benefits (EUR 1,526 thousand)

(EUR thousand)	31/12/2025	31/12/2024
Opening balance	1,580	1,806
Increases	1,047	893
Decreases	(1,101)	(1,118)
<b>Closing balance</b>	<b>1,526</b>	<b>1,580</b>

This item includes the liabilities related to the post-employment benefits due to employees.

The provision increased by the amounts allocated in favour of employees for post-employment benefits and for revaluation, and decreased mainly due to payments to Supplementary Funds and to the Treasury Fund and due to requests for advances and settlements.

#### Payables (EUR 553,042 thousand)

The payables can be summarised as follows:

(EUR thousand)	31/12/2025	31/12/2024
Payables to suppliers	19,237	32,340
Payables to subsidiaries	473,394	381,961
Payables to parent companies	56,563	25
Tax liabilities	538	861
Payables to pension and social security institutions	1,495	1,279
Other liabilities	1,817	9,125
<b>Total</b>	<b>553,042</b>	<b>425,592</b>

#### Payables to suppliers (EUR 19,237 thousand)

Payables to suppliers stem from commercial transactions.

The payables to suppliers at 31 December 2025 were mostly to Italian counterparties.

The breakdown of trade payables is mainly as follows:

- payable to GME, for an amount of EUR 5,738 thousand, relating to the purchase of electricity;
- payables to other counterparties such as TERNA S.p.A. for EUR 1,336 thousand;
- trade payables to other counterparties relating to the provision of various services such as engineering services, legal services, consultancy and other minor supplies for EUR 12,164 thousand.

The item also comprises trade payables to third parties for services connected to maintenance of the wind and solar farms.

#### Payables to subsidiaries (EUR 473,394 thousand)

The subject item consists mainly of the following:

- trade payables to group companies, amounting to EUR 45,046 thousand, which mainly refer to payables to wind and solar subsidiaries for the purchase of electricity and guarantee of origin (GO) certificates;
- other payables to subsidiaries, equal to EUR 15,795 thousand, relate to the payable to subsidiaries as part of the settlement of group VAT (EUR 13,775 thousand) and other payables due for the recognition of penalties (EUR 2,020 thousand);
- negative balances, totalling EUR 412.6 million, arising from existing zero-balance cash pooling arrangements with subsidiaries, Brevia Wind S.r.l. (EUR 75.1 million), ERG Wind Bulgaria S.p.A. (EUR 41.7 million), ERG Eolica Campania S.r.l. (EUR 40.72 million), Corni Eolian S.A. (EUR 41.98 million), ERG Eolica San Vincenzo S.r.l. (EUR 26.54 million), ERG Poland Holding sp. z.o.o. (EUR 42.67 million), ERG Eolica Adriatica S.r.l. (EUR 22.12 million), ERG Wind Investments S.r.l. (EUR 16.2 million) and ERG Solar Holding S.r.l. (EUR 40.2 million).

It should be noted that in December 2025 the cash pooling agreement with the subsidiary ERG Sweden Holding AB was closed.

### Payables to parent companies (EUR 56,563 thousand)

Trade payables to the direct parent company ERG S.p.A., amounting to EUR 46,730 thousand, include the payable for the staff service contract provided by the Parent Company and paid in January 2026.

Other payables to the direct parent company ERG S.p.A., amounting to EUR 9,832 thousand, refer to the IRES paid as part of the tax consolidation for the 2025 tax year.

### Tax payables (EUR 538 thousand)

This item mainly refers to payables to the tax authorities for withholding taxes amounting to EUR 536 thousand.

### Payables to pension and social security institutions (EUR 1,495 thousand)

This refers mainly to what is due in salaries and wages for December for social security, pension and insurance obligations.

### Other payables (EUR 1,817 thousand)

(EUR thousand)	31/12/2025	31/12/2024
Payables to employees	1,761	1,780
Payables to third parties for equity investments	-	1,844
Other payables	56	5,501
<b>Total</b>	<b>1,817</b>	<b>9,125</b>

The item "Payables to employees" relates to wages for the period not yet settled and comprises holidays, unused time off "in lieu" and the estimated productivity bonus and variable remuneration linked to company objectives.

"Other payables", amounting to EUR 56 thousand, refer to payables to members of the Board of Statutory Auditors; it should be noted that the payable recognised at 31 December 2024 of EUR 5,424 thousand relating to VAT charged by a supplier who had reached a settlement with the Revenue Agency in 2024, was paid during the 2025 financial year.

The item "Payables to third parties for the purchase of equity investments" was zero at 31 December 2025 due to the reclassification previously commented on in the section "Provisions for risks and charges".

The classification by expiry of the main items registered under the liabilities is shown below:

	within 12 months	within 5 years	after 5 years	Total
<b>Payables</b>				
- to suppliers	19,237	-	-	19,237
- to subsidiaries	473,394	-	-	473,394
- to parent companies	56,563	-	-	56,563
- tax payables	538	-	-	538
- to pension and social security institutions	1,495	-	-	1,495
- other payables	1,817	-	-	1,817
<b>TOTAL</b>	<b>553,042</b>	<b>-</b>	<b>-</b>	<b>553,042</b>

### PREPAYMENTS AND ACCRUALS (EUR 13,241 THOUSAND)

(EUR thousand)	31/12/2025	31/12/2024
Deferred income - other	13,241	13,960
<b>Total</b>	<b>13,241</b>	<b>13,960</b>

The item "Deferred income - other", refers to the difference in the fair value of a Virtual PPA at the subscription date compared to the transaction price. The deferral is reversed starting from the effective date of the contract, i.e. from 1 June 2024, throughout the duration of the contract.

# INCOME STATEMENT ANALYSIS

## VALUE OF PRODUCTION (EUR 579,491 THOUSAND)

### Revenue from sales and services (EUR 576,161 thousand)

(EUR thousand)	2025	2024
Revenue from sales	522,117	582,139
Revenue from the provision of services	54,044	58,360
<b>Total</b>	<b>576,161</b>	<b>640,499</b>

For complete disclosure, we provide below a breakdown of the revenue from sales and services:

(EUR thousand)	2025	2024
<b>Sales</b>		
Electricity	507,168	573,744
GO	8,286	8,394
<b>Total sales</b>	<b>515,454</b>	<b>582,139</b>
<b>Services</b>		
Service contract in respect of wind subsidiaries	14,439	12,186
O&M for wind subsidiaries	37,199	38,309
Other from subsidiaries	2,406	4,025
Other	6,663	3,840
<b>Total services</b>	<b>60,707</b>	<b>58,360</b>
<b>Total revenue from sales and services</b>	<b>576,161</b>	<b>640,499</b>

Note that ERG Power Generation S.p.A. manages the ERG Group's electricity sales, performed in Italy through the Energy Management department, which refer to the electricity generated by its wind and solar plants, as well as purchases on organised markets and through physical bilateral agreements, with the exception of the energy produced by some wind and solar plants for which dispatching has been outsourced to third parties.

The energy, mainly produced by the wind and solar plants of its Italian subsidiaries, is sold through the wholesale channels and to customers through 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.

The above-mentioned sales and hedging, as a result of which the price scenario only partly affected revenue, were realised by Energy Management in order to develop forward contracts, also with the objective of hedging the generation, in accordance with the Group's risk policy. With regard to the topic in question, it should be noted that the formula for the energy sale price for electricity supply contracts from the SPVs to the Company includes the value of hedging transactions carried out by the Company for its subsidiaries.

As previously mentioned, the ERG Group launched the first BESS (Battery Energy Storage Systems) plant in Vicari; the plant is owned by the subsidiary Green Vicari S.r.l. and has an installed capacity of 12.5 MW and became operational in November 2025. The commercial operation of the plant, i.e. the management of energy storage and resale to the market, is managed by ERG Power Generation S.p.A. through a tolling agreement; the item "Revenue from sales" includes energy resold to the market.

Revenue from services consist of the provision of technical services by central staff and Information Communication Technology services charged back to subsidiaries. Revenue from services also includes services rendered to the Italian wind and solar subsidiaries for Operation & Maintenance, i.e., management and maintenance of the wind aerogenerators and photovoltaic systems. This item also includes BoP services, relating to the electricity maintenance of wind farms, in respect of wind subsidiaries. The item "Other to subsidiaries" includes the charge-back to the subsidiary ERG Wind Energy S.r.l. of the costs incurred for the repowering works of the Greci/Montaguto, Carlentini 1 and Carlentini 2 wind farms (EUR 1,970 thousand).

In 2025, revenue from the sale of electricity includes the slightly positive impact of the hedging transactions concluded in the period for an amount of EUR 96 thousand, for which a detailed graph is shown below.



(EUR thousand)	2025	2024
Gains on Power sales cash flow hedges	4,302	2,290
<b>Total</b>	<b>4,302</b>	<b>2,290</b>
Losses on Power sales cash flow hedges	(4,206)	(1,668)
<b>Total</b>	<b>(4,206)</b>	<b>(1,668)</b>
<b>Total revenue</b>	<b>96</b>	<b>623</b>

#### Changes in contracts in progress (EUR -943 thousand)

This item reflects engineering costs, costs for third-party services and ancillary expenses, including internal personnel expense incurred in 2025 by ERG Power Generation S.p.A. for the Repowering projects on the plants of a number of wind subsidiaries, as commented in the "Inventories" paragraph of these Notes (EUR 1,064 thousand).

During the 2025 financial year, the Company recharged deferred costs in respect of work in progress amounting to EUR 2,007 thousand, primarily to its subsidiary ERG Wind Energy S.r.l., relating mainly to the repowering works at the Greci/Montaguto and Carlentini 1 and Carlentini 2 wind farms (EUR 1,931 thousand).

#### Other revenue and income (EUR 4,274 thousand)

(EUR thousand)	2025	2024
Other revenue and income - subsidiaries	1,293	504
Incentive tariff	27	23
Expense recoveries	503	482
Ordinary capital gains	10	1
Revenue other than the above	2,441	6,470
<b>Total</b>	<b>4,274</b>	<b>7,480</b>

"Other revenue and income - subsidiaries" regards essentially charge-backs to subsidiaries for costs incurred and sale of spare parts, the services of company employees and the recovery of sundry expenses.

The item "Revenue other than the above" mainly comprises the positive impact arising from agreements entered into during the financial year with third-party suppliers and other minor items; this item has decreased significantly compared with last year, as in 2024 it included a substantial amount relating to the release of provisions for expenses due to the subsequent absence of the conditions for recognition concerning a portion of the potential risks estimated in previous financial years, as well as other minor items.

### PRODUCTION COST (EUR 613,023 THOUSAND)

Production cost is broken down as per the table below.

(EUR thousand)	2025	2024
Costs for raw, ancillary and consumable materials	510,724	585,695
Services	69,986	60,303
Costs for leased goods	2,327	2,241
Personnel expense	20,700	18,696
Amortisation, depreciation and impairment losses	7,642	2,935
Changes in inventories of raw, ancillary and consumable materials and goods	(1,428)	(3,629)
Provisions for risks	574	401
Other operating costs	2,497	1,106
<b>Total</b>	<b>613,023</b>	<b>667,749</b>

#### Costs for raw, ancillary and consumable materials and goods (EUR 510,724 thousand)

Electricity purchase costs, which represent the most significant item of raw material costs, mainly relate to purchases from the GME and the wind and solar subsidiaries.

Costs for raw materials also include disbursements to third parties and group companies for the purchase of spare parts for the maintenance of wind turbines and photovoltaic systems for subsidiaries.

#### Services (EUR 69,986 thousand)

"Services from parent companies" reflect essentially the costs for staff services rendered by the company ERG S.p.A. and include charge-backs for administrators' fees.

(EUR thousand)	2025	2024
Costs for services from third parties	24,407	23,302
Costs for services from subsidiaries	6,460	22
Costs for services from parent companies	39,119	36,980
<b>Total</b>	<b>69,986</b>	<b>60,303</b>

It should be noted that the item "Costs for services from subsidiaries" includes the costs for lack of wind production charged back by the Subsidiaries and also the costs pertaining to the tolling agreement with the Subsidiary Green Vicari S.r.l. for the BESS plant mentioned above.

"Services from third parties" comprise mainly the following:

(EUR thousand)	2025	2024
Maintenance costs	12,425	11,356
Technical, legal and other consulting services	1,895	1,594
Payments to statutory auditors	73	73
Utilities and consumption	172	211
Insurance costs	281	312
Other services	9,561	9,756
<b>Total</b>	<b>24,407</b>	<b>23,302</b>

"Maintenance costs" refer to the costs incurred in 2025 for the assistance, management and maintenance activities for the wind and solar farms of subsidiaries.

The item "Technical, legal and other consulting services" mainly includes EUR 808 thousand for technical professional consultancy costs, EUR 185 thousand for legal fees and tax consultancy, EUR 308 thousand for assessments and testing, EUR 84 thousand for feasibility studies and other minor costs for services.

The item "Technical, legal and other consulting services" also includes payment to the independent auditors KPMG S.p.A.<sup>1</sup>, of which EUR 311 thousand related to the audit services provided and EUR 18 thousand for non-audit services.

"Insurance expenses" includes the premiums paid during the financial year and previous financial years.

Note that the items "Services from parent companies" and "Other services" include directors' fees for a total of EUR 1,181 thousand.

The graph below shows the main breakdown of the item "Other services":

(EUR thousand)	2025	2024
Costs for electricity transport and other capacity charges	603	406
Other personnel services	2,382	2,461
Italian and foreign bank fees	673	679
Other TERNA and IPEX fees	254	215
Other services	5,650	5,995
<b>Total</b>	<b>9,561</b>	<b>9,756</b>

The item "Other sundry services" includes IT services for EUR 1.1 million, rentals (i.e., equipment supply services with specialised personnel) for EUR 2 million, engineering services for EUR 0.4 million and Health, Safety, Quality and Environment services for EUR 0.9 million, along with other minor services.

#### Use of third-party assets (EUR 2,327 thousand)

(EUR thousand)	2025	2024
Rental expenses	404	396
Lease expenses	816	694
Hire and lease expenses	1,107	1,151
<b>Total</b>	<b>2,327</b>	<b>2,241</b>

Use of third-party assets refers mainly to rent expense on warehouses, fees and costs for leased autos and trucks and are largely in line with 2024.

#### Personnel expense (EUR 20,700 thousand)

Personnel expense refers to the cost incurred during the year for an average of 277 employees (277 at year-end).

(EUR thousand)	2025	2024
Wages and salaries	14,747	13,687
Social security contributions	4,431	3,657
Post-employment benefits	975	815
Other costs	546	538
<b>Total</b>	<b>20,700</b>	<b>18,696</b>

<sup>1</sup> Amounts not including expenses and CONSOB supervisory contribution.

The average annual composition of the Company's workforce is shown below:

	2025	2024
Executives	7	7
Middle managers	51	46
White-collar workers	95	86
Blue-collar workers – Intermediate	124	125
<b>TOTAL</b>	<b>277</b>	<b>264</b>

#### Amortisation, depreciation and impairment losses (EUR 7,642 thousand)

(EUR thousand)	2025	2024
Amortisation of intangible assets	2,590	2,319
Depreciation of property, plant and equipment	720	616
Impairment losses of receivables included in current assets and cash and cash equivalents	4,333	-
<b>Total</b>	<b>7,642</b>	<b>2,935</b>

Amortisation of the intangible assets refers to the other intangible assets, especially the software used to carry out the activities and the goodwill generated by the merger.

It should be noted that, due to the changes introduced by the 2022 Budget Law, the goodwill subject to tax realignment in 2021 is tax deductible over 50 years.

The item also includes the write-down of other receivables included in current assets recognised in consideration of the uncertainty relating to the conditions of collectability of some receivables.

#### Change in inventories of raw, ancillary and consumable materials and goods (EUR -1,428 thousand)

The item refers to the change in inventories of spare parts, acquired in order to conduct maintenance activities on the wind turbines and some photovoltaic systems owned by the subsidiaries that produce energy from wind and solar.

#### Provision for risks (EUR 574 thousand)

This item mainly comprises a provision of EUR 537 thousand relating to potential risks associated with the energy business and costs relating to the legal proceedings brought by Gepafin.

#### Other operating costs (EUR 2,497 thousand)

(EUR thousand)	2025	2024
Municipal property tax	6	5
Other duties and taxes	57	177
Other sundry expenses from third parties	2,434	924
<b>Total</b>	<b>2,497</b>	<b>1,106</b>

The item mainly includes membership fees paid in the amount of EUR 466 thousand.

The increase in the item other sundry charges is attributable to higher charges from subsidiaries, ERG Eolica San Vincenzo and ERG Eolica Campania, linked to the maintenance activities managed by the Company.

## FINANCIAL INCOME AND EXPENSE (EUR 163,522 THOUSAND)

(EUR thousand)	2025	2024
Income from equity investments	86,304	57,162
Other financial income	81,275	100,765
Interest and other financial expense	(2,434)	(7,959)
Exchange rate gains and losses	(1,624)	885
<b>Total</b>	<b>163,522</b>	<b>150,853</b>

### Gains on equity investments (EUR 86,304 thousand)

The item mainly refers to the collection deriving from the distribution of dividends, profit reserves and other reserves from subsidiaries for EUR 82,215 thousand.

The following graph summarises the receipts of dividends, profit reserve distributions and other reserves from subsidiaries in financial year 2025:

(EUR thousand)	2025	2024
<b>Distribution of dividends</b>		
ERG Eolica San Vincenzo S.r.l.	2,000	6,313
ERG Eolica Campania S.r.l.	4,000	15,206
ERG Eolica Adriatica S.r.l.	12,500	11,624
ERG Eolica Fossa del Lupo S.r.l.	16,500	-
ERG Eolica Faeto S.r.l.	3,693	-
ERG Eolica Ginestra S.r.l.	2,506	-
Breva Wind S.r.l.	8,819	14,833
ERG USA Holding, Inc	15,595	-
ERG Solar Holding S.r.l.	8,929	-
Andromeda PV S.r.l.	4,698	5,948
	<b>79,240</b>	<b>53,925</b>
<b>Distribution of reserves</b>		
Andromeda PV S.r.l.	2,976	3,238
	2,976	3,238
Equity investments in subsidiaries (disposed of in previous years)	4,089	-
<b>Total</b>	<b>86,304</b>	<b>57,162</b>

The item includes a positive price adjustment recorded in the 2025 financial year relating to the sale of an equity investment completed in previous years, which was simultaneously written down due to uncertainty regarding the collectability of the receivable.

### Other income (EUR 81,275 thousand)

The item comprises mainly the following:

- financial income of EUR 78,777 thousand for interest income on loans granted to subsidiaries;
- financial income of EUR 776 thousand for interest income from subsidiaries relating to zero balance cash pooling, cash advance and centralised treasury agreements;
- financial income of EUR 906 thousand for interest income from ERG S.p.A. relating to the zero balance cash pooling agreement;
- interest income from banks for EUR 621 thousand

### Interest and other financial expense (EUR 2,434 thousand)

(EUR thousand)	2025	2024
Financial expense due to subsidiaries	2,365	6,811
Other expense	68	1,148
<b>Total</b>	<b>2,434</b>	<b>7,959</b>

This item, amounting to EUR 2,365 thousand, relates to interest expense on contracts for zero-balance cash pooling, cash advances and centralised treasury services provided to subsidiaries in the wind and solar power sectors.

At 31 December 2024, the item also included a price adjustment, for an amount equal to EUR 1,350 thousand, for the sale of the shareholding in ERG Power S.r.l.

### Gains and losses on foreign exchange (EUR 1,624 thousand)

This item mainly includes the impact of exchange rate differences recognised during the period.

## VALUE ADJUSTMENTS TO FINANCIAL ASSETS AND LIABILITIES (EUR 73,978 THOUSAND)

(EUR thousand)	2025	2024
Revaluations of derivative financial instruments	23,780	21,486
Impairment of derivative financial instruments	(23,837)	(20,427)
<b>Total revaluations and impairment of derivative financial instruments</b>	<b>(57)</b>	<b>1,059</b>
Revaluations of equity investments	-	-
Impairment of equity investments	(73,920)	-
<b>Total revaluations and impairment of equity investments</b>	<b>(73,920)</b>	<b>-</b>
<b>Total</b>	<b>(73,978)</b>	<b>1,059</b>

The items "Revaluation of derivative financial instruments" and "Write-down of derivative financial instruments" include:

- the allocation to the income statement of the changes in fair value of the derivative instruments open at 31 December 2025, as well as the changes in fair value achieved during 2025 with regard to the derivative financial instruments that do not fully correlate with the physical underlying.
- the recognition in the income statement of the margin realised from the stipulation of instruments for the purpose of asset back trading of electricity, which the Company began to stipulate starting from October 2025;
- the reversal of effects to foreign subsidiaries. It should be noted that, from 2021, the Company acts on behalf of its foreign subsidiaries to enter into and manage derivative contracts designed to hedge the electricity price risk for a portion of their electricity generation. The revaluations and impairment in question therefore include the accounting of the hedging instruments stipulated for the foreign subsidiaries.

The item "Write-down of equity investments" relates to the write-down of the equity investment in ERG Spain Holdco S.L.U. commented on in the section relating to Equity investments of these notes to the financial statements and to the write-down of the equity investment in ERG Sweden Holding AB commented on in the section relating to current financial assets – investments in subsidiaries.

## INCOME TAXES FOR THE YEAR (EUR 13,096 THOUSAND)

(EUR thousand)	2025	2024
Current income taxes - IRES	(9,843)	6,654
Current income taxes - IRAP	(2,946)	(3,773)
Deferred tax assets	(391)	(22,803)
Previous year taxes	84	(103)
<b>Total</b>	<b>(13,096)</b>	<b>(20,025)</b>

Current IRES taxes were negative for EUR 9,843 thousand. The change in this item compared to the previous financial year (positive taxes of EUR 6,654 thousand) is attributable to the utilisation, during 2025, of tax losses incurred in previous years and transferred to the ERG tax consolidation, resulting in a reduction in the tax benefit derived from them.

Current IRAP taxes amounted to EUR 2,946 thousand.

For the changes in deferred taxes, please refer to the corresponding sections of the statement of financial position.

The tables below show the reconciliation between the effective and theoretical tax expense

**Reconciliation between effective and theoretical tax expense**

<b>IRES</b>	<b>IRES 24%</b>	
Profit before taxes	56,013	
Theoretical tax charge (24%)		13,443
<b>Temporary differences taxable in subsequent years</b>		
<b>Total</b>	-	
<b>Temporary differences deductible in subsequent years</b>		
Allocation to provisions	778	
Amortisation/depreciation exceeding the tax limit	552	
Other increases	7	
<b>Total temporary differences deductible in subsequent years</b>	<b>1,337</b>	<b>321</b>
<b>Reversal of temporary differences from previous years</b>		
Release of provisions taxed in previous years	(1,020)	
Return of exchange rate differences taxed in previous years		
Reversal tax depreciation not deducted	(23)	
Other decreases	(5)	
<b>Total reversal of temporary differences from previous years</b>	<b>(1,048)</b>	<b>(252)</b>
<b>Differences that will not be reversed in subsequent years</b>		
Dividend income collected during the year	(66,600)	
Return of capital reserves	(12,110)	
Impairment losses on equity investments	73,920	
Costs for cars	178	
Contingent liabilities	240	
Other increases	59	
Other decreases	(722)	
<b>Differences that will not be reversed in subsequent years</b>	<b>(5,035)</b>	<b>(1,208)</b>
<b>Consolidation adjustments</b>		
Income from tax losses from previous years transferred to the consolidated accounts	(1,860)	
Income from consolidation for the transfer of interest income to the consolidated company	(9,407)	
<b>Total consolidation adjustments</b>	<b>(11,267)</b>	<b>(2,704)</b>
<b>Non-deductible withholdings on foreign dividends</b>		<b>242</b>
<b>IRES taxable amount/current IRES</b>	<b>40,000</b>	<b>9,843</b>



IRAP	IRAP 5.57%	
Difference between production costs and revenue	(29,199)	
Costs and revenue not relevant for irap purposes	20,700	
<b>Total theoretical taxable income for irap purposes</b>	<b>(8,499)</b>	
<b>Theoretical tax charge (5.57% Rate)</b>		<b>(473)</b>
<b>Temporary differences deductible in subsequent years</b>		
Amortisation of goodwill	330	
Allocation to provisions	537	
<b>Total temporary differences deductible in subsequent years</b>	<b>867</b>	<b>48</b>
<b>Reversal of temporary differences from previous years</b>		
Release of provisions taxed in previous years	(332)	
<b>Total reversal of temporary differences from previous years</b>	<b>(332)</b>	<b>(18)</b>
<b>Differences that will not be reversed in subsequent years</b>		
Interest income	81,275	
Deductible interest expense	(2,337)	
Use of provision without deferred taxation	(103)	
Deduction of personnel expense	(19,580)	
Directors' remuneration	1,204	
Other increases	157	
Extraordinary items	240	
<b>Differences that will not be reversed in subsequent years</b>	<b>60,856</b>	<b>3,390</b>
<b>IRAP taxable amount/current IRAP</b>	<b>52,892</b>	<b>2,946</b>



## COMMITMENTS AND GUARANTEES AND CONTINGENT LIABILITIES NOT INDICATED IN THE STATEMENT OF FINANCIAL POSITION

### **Sureties to third parties in favour of group companies (EUR 2,829 thousand)**

These refer to the guarantees issued in favour of companies of the wind group, particularly Government Agencies, for restoration of the wind farm areas at the end of the electricity generation activity. The item also includes commercial Parent Company guarantees issued in favour of subsidiaries for the benefit of third-party suppliers.

### **Sureties in favour of third parties issued on credit lines of the parent company (EUR 34,683 thousand)**

These regard sureties issued by ERG Power Generation S.p.A. in favour of third parties, guaranteed by the direct parent ERG S.p.A. through its credit lines.

These are mainly counterparties with which commercial dealings were carried out, as well as a guarantee in favour of the Italian electricity market operator (GME) directed at allowing operations on said market.

### **Sureties in favour of third parties issued by the parent company (EUR 294,190 thousand)**

These regard sureties issued by ERG Power Generation S.p.A. in favour of third parties, guaranteed by the direct parent company ERG S.p.A. These are mainly commercial guarantees.

### **Commitments to suppliers (EUR 2,405 thousand)**

These are commitments to suppliers in the field of information & communication technology for operating and capital account expenses to be incurred in the future already contracted for with the counterparty.

## DISCLOSURE ON THE FAIR VALUE OF THE FINANCIAL INSTRUMENTS IN ACCORDANCE WITH ARTICLE 2427-BIS OF THE ITALIAN CIVIL CODE

The Company uses certain derivative instruments as part of Group policy to minimise the risks relating mainly to credit, market, liquidity and operational risks.

The following table sets out the fair values of the Company's outstanding derivative financial instruments at 31 December 2025:

(EUR thousand)		31.12.2025		
		Underlying financial risk	Volumes (GWh)	FV
Type of contract				
<b>Contract for Difference</b>	Thousands of MWh	Electricity purchase price risk	<b>90</b>	<b>(646)</b>
of which effect on income statement			90	(646)
of which effect on equity				-
<b>Commodities Futures</b>	Thousands of MWh	Electricity sale price risk	<b>3,632</b>	<b>2,210</b>
of which effect on income statement			1,527	639
of which effect on equity			2,105	1,571
<b>Commodities VPPA</b>	Thousands of MWh	Electricity sale price risk	<b>1,878</b>	<b>12,357</b>
of which effect on income statement				-
of which effect on equity				(883)
Deferred income				13,241
<b>Total</b>				<b>13,922</b>

### Electricity price risk hedging CfD

CfD (Contract for Difference) transactions to hedge the risk of fluctuation in the price of electricity with respect to forward agreements for the purchase and sale of electricity. These are contracts whereby the parties undertake to liquidate, at a certain date, the difference between the price agreed and the market price of the reference period.

### Futures

Futures transactions are fixed-term, standardised contracts. These are contracts traded on regulated markets, which oblige the parties to buy or sell an underlying asset at a predetermined future date, at a price set at the time of conclusion of the contract.

### Virtual PPA

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.

Since these are instruments with average delivery periods of more than 10 years, if no price quotations are readily available in the active market for long-term maturities and therefore the price of the last available maturity date has to be replicated, the fair value is estimated at the date of initial recognition, and at each subsequent closing date.

The fair value is calculated based on the estimate of future cash flows, discounted at the measurement date (Discounted Cash Flow Model). The estimate of variable future prices is carried out on the basis of forward prices of the commodities.

The measurement techniques used are based exclusively on parameters such as spot and forward price, interest rates and commodity price directly observable on the market.

## OTHER INFORMATION REQUIRED BY ARTICLES 2427 AND 2427-BIS OF THE ITALIAN CIVIL CODE

- No transactions subject to the obligation of retrocession upon completion were carried out (Article 2427, no. 6-ter);
- No financial expenses were posted to the asset values of the Statement of Financial Position during the year (Article 2427, no. 8);
- As regards 2427, there are no significant revenue or costs of an exceptional nature, other than those described in other revenue and income (Article 2427, no. 13);
- No bonus shares, bonds convertible into shares or securities or other similar instruments were issued (Article 2427, no. 18);
- No assets were allocated to a specific business (Article 2427, no. 20), and no loans were granted or stipulated with regard to a specific business (Article 2427, no. 21);
- No finance lease transactions involving the transfer to the lessee of the predominant portion of risks and benefits of the underlying asset were carried out (Article 2427, no. 22);
- Transactions with related parties (Article 2427, no. 22-bis) are illustrated in the next paragraph;
- There are no known agreements whose effects are not mentioned in the Statement of Financial Position (Article 2427, no. 22-ter).

## OTHER INFORMATION - DISCLOSURE OBLIGATIONS PERTAINING TO ITALIAN LAW NO. 124/2017 OF 4 AUGUST 2017

Article 1, paragraphs 125-129 of Italian Law no. 124 of 4 August 2017 introduced the obligation for companies that receive grants from public administrations to publish the amounts received in their Notes to the Separate Financial Statements and in the Consolidated Financial Statements, if these are drawn up. In view of the interpretation difficulties encountered in applying these provisions (Assonime – circular no. 5 of 22 February 2019) the legislator intervened, amending the said regulations several times. More specifically, the legal provisions of Italian Law no. 124/17 were most recently revised by Italian Decree Law no. 34 of 30 April 2019, which set forth urgent economic growth measures to resolve specific crisis situations, converted with Italian Law no. 58 of 28 June 2019, which provided responses to important topics in order to simplify and rationalise the regulations under consideration. The ERG Group has therefore decided to state in the separate financial statements of the companies belonging to the Group the grants received from public administrations for use by all the companies and that come under the general scheme of the reference system defined by the State (e.g. feed-in premium, energy efficiency certificates, etc.) with the exception of those belonging to the following categories:

- tax relief;
- training grants received from inter-professional funds (e.g. Fondi impresa), since such funds are a form of partnership governed by private law, financed with the contributions paid by the companies themselves.

It should be noted that, in respect of the 2025 financial year, ERG Power Generation S.p.A. benefited from the social security contribution exemption provided for in Article 5 of Italian Law no. 162/2021 (private employers holding gender equality certification) amounting to EUR 23 thousand; it also benefited from a further contribution exemption under Italian Decree Law no. 60/2024 (the Cohesion Decree, also known as the youth bonus), amounting to EUR 26 thousand.

In accordance with the provisions of Article 3-querter of Italian Decree Law no. 135/2018, for the funds received please refer to the indications contained in the National Register of State Aid under Article 52 of Italian Law no. 234 of 24 December 2012.

## RELATIONS WITH PARENT COMPANIES, SUBSIDIARIES, ASSOCIATES, COMPANIES CONTROLLED BY THE PARENT COMPANIES AND OTHER RELATED PARTIES

The main relations between the Company and the companies that form part of the ERG Group are set out below, with transactions settled on an arm's length basis.

Intra-group relations in 2025 refer to Company operations.

The trade receivables mainly relate to:

- service, O&M and BoP contracts with the wind and solar companies;
- service contracts with the wind and solar companies;
- the development contract with the subsidiary ERG Sviluppo Italia S.r.l.

Trade payables mainly relate to:

- charge-backs by the parent company ERG S.p.A. relating to services and remuneration to Directors who are employees of the parent company;
- contracts for the purchase of electricity and guarantees of origin produced by SPVs;
- the tolling agreement with the subsidiary Green Vicari S.r.l..

Financial assets and liabilities refer to loan, zero balance cash pooling, cash advance and centralised treasury agreements in place between ERG Power Generation S.p.A. and Group companies.

It should be noted that starting from November 2021, the Company acts as an agent for the German subsidiaries for the stipulation and management of derivative contracts hedging the price risk of electricity for part of their electricity production. From 2022 to 2024, the company also received a mandate from the French (2022), Spanish (2022), British (2023) and Polish (2024) subsidiaries.

The Company has therefore finalised hedging contracts (futures and CfDs) to hedge the price of electricity, reversing the effects on the subsidiaries (CfDs).

Lastly, it should be noted that the Company participates in the tax consolidation scheme of the direct parent ERG S.p.A. for IRES purposes and adheres as parent company to the group VAT payment procedure pursuant to Article 73 of Italian Presidential Decree no. 633 of 26/10/1972 and Italian Ministerial Decree of 13 December 1979.

The graph below summarises the financial and equity items for the year 2025 with group companies.



	Revenue			Costs		
	Sales and services	Other revenue	Financial income	Purchases	Services and other costs	Financial expense
<b>Subsidiaries</b>						
ERG Wind Investments S.r.l.	25	-	-	-	-	(185)
ERG Wind Holdings (Italy) S.r.l.	15,052	778	6,425	(164)	(37)	-
ERG Wind Sardegna S.r.l.	15	-	-	-	-	-
ERG Wind Sicilia 6 S.r.l.	15	-	933	-	-	-
ERG Wind 6 S.r.l.	15	-	-	-	-	-
ERG Wind Sicilia 3 S.r.l.	15	-	-	-	-	-
ERG Wind MEG 1 LLP	1	-	49	-	-	(410)
ERG Wind MEG 2 LLP	1	-	70	-	-	(311)
ERG Wind MEG 3 LLP	1	-	27	-	-	(306)
ERG Wind MEG 4 LLP	1	-	5	-	-	(218)
ERG Wind Energy S.r.l.	7,399	0	176	(115,116)	(4,024)	-
ERG Wind Park Beteiligungs GmbH	-	-	6,469	-	-	(6)
ERG Wind French Holdings SAS	-	-	-	-	-	(0)
ERG Germany GMBH	1,368	199	-	(15)	-	-
ERG France Sarl	1,781	100	-	(62)	-	-
Voltwerk Windpark Worbzig GmbH	1	-	4	-	-	(61)
Voltwerk Windpark Beesenstedt GmbH	1	-	6	-	-	(81)
Windpark Cottbuser Halde GmbH	-	-	-	-	-	(1)
WP Achmer Vinte GmbH	1	-	178	-	-	(110)
Parc Eolien de Garcelles-Sacqueville SAS	1	-	15	-	-	(680)
Parc Eolien de St Riquier 1 SAS	-	-	-	-	-	(99)
Saint Fragne	-	-	-	-	-	(93)
Ferme Eolienne de Teterchen	1	-	13	-	-	(479)
C.P. de St Florentine	1	-	15	-	-	(612)
C.P. de Murat	1	-	87	-	-	(1,020)
ERG Eolica San Vincenzo S.r.l.	2,548	-	-	(10,206)	(112)	(168)
ERG Eolica Faeto S.r.l.	1,184	-	-	(3,183)	(709)	(26)
ERG Eolica Ginestra S.r.l.	1,469	43	-	(4,248)	(666)	(65)
ERG Eolica Tirreno S.r.l.	500	-	3,395	(6,805)	(19)	(6)
Green Vicari S.r.l.	1,342	-	125	(5,275)	(293)	(12)
ERG Eolica Fossa del Lupo S.r.l.	5,340	-	-	(23,864)	(90)	(106)
Eoliennes du Vent Solaire S.a.s.	-	-	-	-	-	(93)
ERG Eolica Adriatica S.r.l.	3,833	25	-	(20,173)	(375)	(132)
ERG Eolica Campania S.r.l.	3,713	-	-	(19,424)	(1,967)	(240)
EW Orneta 2 Sp. z.o.o.	1	-	1,859	-	-	(308)
ERG Wind Szydłowo sp. z o.o	1	-	304	-	-	(62)
ERG Wind Słupia sp. z o.o	1	-	516	-	-	(139)
Corni Eolian S.A.	115	-	-	-	-	(197)
Globo Energy EOOD	3	-	-	-	-	-
K&S Energy EOOD	3	-	-	-	-	-
K&S Energy 1 EOOD	6	-	-	-	-	-
K&S Energy 2 EOOD	6	-	-	-	-	-
Mark 1 EOOD	4	-	-	-	-	(75)
Mark 2 EOOD	4	-	-	-	-	-
VG 1 EOOD	3	-	-	-	-	-
VG 2 EOOD	6	-	-	-	-	-
VG 3 EOOD	6	-	-	-	-	-
VG 4 EOOD	6	-	-	-	-	-
VG 5 EOOD	6	-	-	-	-	-
VG 6 EOOD	6	-	-	-	-	-
Wind Park Kavarna Est	6	-	-	-	-	-
Wind Park Kavarna Ovest	6	-	-	-	-	-
WP Bulgaria 4 EOOD	4	-	-	-	-	-
ERG Wind Bulgaria S.r.l.	25	-	-	-	-	(287)
Weselberg GmbH	1	-	3	-	-	(3)
ERG France Holding S.a.s	-	-	18,672	-	-	(17)
Parc Eolienne de la Voie Sacrée (Uranus)	1	-	20	-	-	(679)
Parc Eolienne d'Epense (Uranus)	1	-	5	-	-	(190)
ERG Solar Holding S.r.l.	25	-	-	-	-	(164)
Calabria Solar S.r.l.	1,953	-	-	(9,980)	-	-
ERG Solar Piemonte 3 S.r.l.	788	-	675	(2,979)	-	(8)
ISAB Energy Solare S.r.l.	4	-	89	-	-	(3)
ERG Wind Park Linda GmbH	-	-	238	-	-	-
Creagg Riabhach	1	-	511	-	-	(41)
Parcs Eoliens de Fruges SARL	1	-	78	-	-	(3,129)
SPDM 1 Sas	-	-	2	-	-	(140)
ERG Sweden Holding AB	-	-	2,088	-	-	(5)
ERG Spain HoldCo	435	147	8,801	-	-	-
Almansol	1	-	120	-	-	(1,603)



	Revenue			Costs		
	Sales and services	Other revenue	Financial income	Purchases	Services and other costs	Financial expense
Tabernas	1	-	201	-	-	(1,419)
Ginestra S.r.l.	1,058	-	2,849	(5,323)	-	(11)
Breva Wind S.r.l.	2,057	1	-	(32,230)	(179)	(467)
Fregenal	1	-	224	-	-	(848)
Garnacha - Juli	1	-	16	-	-	(72)
ERG Sviluppo Italia S.r.l.	687	-	82	-	-	-
ERG USA Holding Inc	113	-	1	-	-	-
Broken Cross Wind Farm Limited	-	-	199	-	-	-
Andromeda PV S.r.l.	449	-	109	-	-	-
ERG UK HOLDING LTD	372	-	22,645	-	-	(5)
Sandy Knowe Wind Farm Limited	1	-	270	-	-	(83)
ERG Poland Holding	180	-	4,756	-	-	(179)
<b>Parent companies</b>						
ERG S.p.A.	81	-	906	-	(39,119)	-

	Receivables			Payables		
	Trade	Other	Financial	Trade	Other	Financial
<b>Subsidiaries</b>						
ERG Wind Park Beteiligungs Gmbh	-	-	95,916	-	-	(2,145)
ERG Germany GMBH	1,375	20	-	(3)	-	-
ERG France Sarl	1,847	23	-	(6)	-	-
Voltwerk Windpark Worbzig Gmbh	1	-	-	(9)	-	(10)
Voltwerk Windpark Beesenstedt Gmbh	1	-	-	(14)	-	(6)
Windpark Cottbuser Halde Gmbh	-	-	-	-	-	(1)
WP Achmer Vinte Gmbh	1	-	177	-	-	(110)
ERG Wind 117 (Frehne) Gmbh	0	0	-	-	-	-
Parc Eolien de Garcelles-Sacqueville SAS	1	0	1	(56)	-	(379)
Parc Eolien du Patis SAS (Jallais)	0	0	-	-	-	-
Parc Eolien de St Riquier 1 SAS	-	0	-	-	-	(99)
Parc Eolien de la Souterraine	0	0	-	-	-	-
Parc Eolien de Oyre Saint Sauveur	0	-	-	-	-	-
ERG Wind Norath GmbH & Co. KG	0	-	-	-	-	-
Omniwatt	0	0	-	-	-	-
Saint Fragne	-	-	-	-	-	(93)
ERG Wind France 1	0	0	-	-	-	-
Ferme Eolienne de Teterchen	1	-	1	(47)	-	(223)
C.P. de Montbeliard	-	0	-	-	-	-
C.P. de St Florentine	1	0	1	(53)	-	(526)
C.P. de Murat	0	-	3	(20)	-	(578)
ERG Eolica San Vincenzo S.r.l.	1,145	-	-	(1,382)	(449)	(26,541)
ERG Eolica Faeto S.r.l.	549	-	-	(623)	(138)	(3,470)
ERG Eolica Ginestra S.r.l.	610	-	-	(898)	(169)	(11,314)
ERG Eolica Tirreno S.r.l.	445	-	46,651	(1,449)	(222)	-
Parc Eolien du Carreau S.a.s.	-	0	-	-	-	-
Parc Eolien de la Bruyère S.a.s.	-	0	-	-	-	-
Parc Eolien les Mardeaux S.a.s.	-	0	-	-	-	-
Parc Eolien de Lihus S.a.s.	-	0	-	-	-	-
Parc Eolien de Hetomesnil S.a.s.	-	0	-	-	-	-
Green Vicari S.r.l.	533	-	4,625	(1,468)	(656)	(213)
ERG Eolica Fossa del Lupo S.r.l.	1,892	-	-	(3,672)	(870)	(21,626)
Eoliennes du Vent Solaire S.a.s.	-	-	-	-	-	(93)
ERG Eolica Adriatica S.r.l.	1,163	-	-	(3,188)	(442)	(22,115)
ERG Eolica Campania S.r.l.	1,022	2	-	(3,685)	(327)	(40,720)
EW Ornetà 2 Sp. z.o.o.	125	-	20,250	-	-	(25)
ERG Wind Szydłowo sp. z o.o	42	-	131	-	-	-
ERG Wind Słupia sp. z o.o	70	-	192	-	-	-
Corni Eolian S.A.	97	-	-	-	-	(41,984)
Globo Energy EOOD	1	-	-	-	-	-
K&S Energy EOOD	1	-	-	-	-	-
K&S Energy 1 EOOD	2	-	-	-	-	-
K&S Energy 2 EOOD	2	-	-	-	-	-
Mark 1 EOOD	3	-	-	-	-	(16,710)
Mark 2 EOOD	1	-	-	-	-	-
VG 1 EOOD	1	-	-	-	-	-
VG 2 EOOD	2	-	-	-	-	-
VG 3 EOOD	2	-	-	-	-	-
VG 4 EOOD	2	-	-	-	-	-



	Receivables			Payables		
	Trade	Other	Financial	Trade	Other	Financial
VG 5 EOOD	2	-	-	-	-	-
VG 6 EOOD	2	-	-	-	-	-
Wind Park Kavarna Est	2	-	-	-	-	-
Wind Park Kavarna Ovest	2	-	-	-	-	-
WP Bulgaria 4 EOOD	1	-	-	-	-	-
ERG Wind Bulgaria S.p.A.	18	-	-	-	-	(41,701)
Weselberg GmbH	1	0	1	-	-	(3)
ERG France Holding S.a.s	-	-	413,101	-	-	(2,555)
Parc Eolienne de la Voie Sacrée (Uranus)	1	0	2	(69)	-	(542)
Parc Eolienne d'Epense (Uranus)	1	-	0	(19)	-	(108)
ERG Solar Holding S.r.l.	18	10	0	-	(0)	(40,247)
Calabria Solar S.r.l.	777	-	-	(700)	(558)	-
ERG Solar Piemonte 3 S.r.l.	491	-	8,808	(161)	(150)	(698)
Epuron Sas	0	-	-	-	-	-
ISAB Energy Solare S.r.l.	10	-	1,359	-	(14)	(568)
ERG Wind Park Linda GmbH	-	-	5,500	-	-	-
Creagg Riabhach	1	-	39	(94)	-	(91)
Le Moulin de Frouges	0	0	-	-	-	-
Parcs Eoliens de Fruges SARL	1	1	12	(256)	-	(1,942)
SPDM 1 Sas	-	-	2	-	-	(140)
ERG Sweden Holding AB	-	-	20,098	-	-	(15)
ERG Spain HoldCo	464	47	176,560	-	-	-
Almansol	49	0	-	-	-	(512)
Tabernas	25	0	-	-	-	(513)
Ginestra S.r.l.	495	-	46,323	(494)	(748)	(488)
Breva Wind S.r.l.	1,411	-	-	(4,786)	(858)	(75,102)
Fregenal	33	-	-	-	-	(181)
Garnacha - Juli	17	-	-	-	-	(57)
ERG Sviluppo Italia S.r.l.	838	-	367	-	(329)	-
ERG USA Holding Inc	113	-	-	-	-	-
Broken Cross Wind Farm Limited	-	-	199	-	-	-
Andromeda PV S.r.l.	81	-	-	-	(242)	-
ERG UK HOLDING LTD	372	-	487,888	(7)	-	(4,931)
Sandy Knowe Wind Farm Limited	1	-	23	(73)	-	(55)
ERG Poland Holding	138	-	65,131	-	-	(42,669)
ERG Wind Investments S.r.l.	18	29	-	-	(1)	(16,179)
ERG Wind Holdings (Italy) S.r.l.	22	17	128,907	(2)	(143)	-
ERG Wind Sardegna S.r.l.	18	-	-	-	-	-
ERG Wind Sicilia 6 S.r.l.	18	-	18,633	-	-	-
ERG Wind 6 S.r.l.	18	-	-	-	-	-
ERG Wind Sicilia 3 S.r.l.	18	-	-	-	-	-
ERG Wind MEG 1 LLP	1	-	12	(37)	-	(202)
ERG Wind MEG 2 LLP	1	-	4	(15)	-	(53)
ERG Wind MEG 3 LLP	1	-	-	(27)	-	(98)
ERG Wind MEG 4 LLP	1	-	-	6	-	(45)
ERG Wind Energy S.r.l.	6,072	3,435	144	(21,738)	(9,478)	-
<b>Parent companies</b>						
ERG S.p.A.	26	-	120,011	(46,730)	(9,832)	-



## OPERATING RESULTS

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The financial statements for the year ended 31 December 2025 close with a profit of EUR 42,916 thousand, after taxes of EUR 13,096 thousand.



## KEY FIGURES FROM THE MOST RECENT FINANCIAL STATEMENTS OF ERG S.P.A., WHICH CARRIES OUT THE MANAGEMENT AND COORDINATION OF ERG POWER GENERATION S.P.A.

### STATEMENT OF FINANCIAL POSITION

(EUR thousand)	31.12.2024
Intangible assets	2,523
Property, plant and equipment	6,640
Right-of-use assets	1,771
Equity investments	2,634,132
Non-current financial assets measured at fair value	12,251
Deferred tax assets	8,367
Other non-current assets	6,428
<b>Non-current assets</b>	<b>2,672,114</b>
Trade receivables	6,900
Other current assets	22,251
Current tax assets	24,226
Current financial assets measured at fair value	7,381
Other current financial assets	449,795
Cash and cash equivalents	515,252
<b>Current assets</b>	<b>1,025,805</b>
<b>Assets held for sale</b>	
<b>TOTAL ASSETS</b>	<b>3,697,919</b>
<b>Equity</b>	<b>760,905</b>
Provisions for employee benefits	1,113
Deferred tax liabilities	8,073
Provision for disposed businesses	79,861
Other non-current provisions	512
Other non-current financial liabilities	2,011,713
Non-current lease liabilities	1,105
<b>Non-current liabilities</b>	<b>2,102,377</b>
Other current provisions	359
Trade payables	9,839
Other current financial liabilities	800,369
Current lease liabilities (2)	691
Other current liabilities	11,086
Current tax liabilities	12,292
<b>Current liabilities</b>	<b>834,636</b>
<b>TOTAL LIABILITIES</b>	<b>3,697,919</b>

**INCOME STATEMENT**

(EUR thousand)	2024
Revenue	38,652
Other income	6,219
Purchases	(240)
Services and other costs	(35,404)
Personnel expense	(26,671)
<b>GROSS OPERATING LOSS</b>	<b>(17,443)</b>
<b>Amortisation, depreciation and impairment of non-current assets</b>	<b>(3,307)</b>
<b>OPERATING LOSS</b>	<b>(20,751)</b>
Financial income	45,449
Financial expense	(61,771)
<b>Net financial (expense)</b>	<b>(16,321)</b>
Net gains on equity investments	59,403
<b>Net gains on equity investments</b>	<b>59,403</b>
<b>PROFIT BEFORE TAXES</b>	<b>22,331</b>
Income taxes	5,138
<b>NET PROFIT FROM CONTINUING OPERATIONS</b>	<b>27,469</b>
Net profit (loss) from assets held for sale	
<b>PROFIT FOR THE YEAR</b>	<b>27,469</b>



## SIGNIFICANT EVENTS AFTER THE REPORTING DATE

On 20 January 2026, in line with the guidelines of the Business Plan, which provide for a geographical repositioning, ERG announced the signing and simultaneous closing of two significant transactions in the United Kingdom and Sweden.

ERG, through its subsidiary ERG UK Holding Ltd, acquired from OnPath Energy Midco Limited, a subsidiary of OnPath Energy, 100% of a group of UK companies owning seven operational onshore wind farms in Northern England, with a total installed capacity of 73 MW.

At the same time, ERG, through its subsidiary ERG Power Generation S.p.A., sold 100% of ERG Sweden Holding AB, owner of Furukraft AB, the company that owns the Furuby wind farm located in Sweden, to Nordetic AB, a company belonging to the eNordic group, an independent power producer operating in the Nordic countries owned by the Ardian fund.

On 20 February 2026, Italian Decree Law no. 21 "Urgent measures to reduce the cost of electricity and gas for households and businesses, to boost the competitiveness of businesses and to decarbonise industry, as well as urgent provisions on resolving the virtual saturation of electricity grids and integrating data processing centres into the electricity system" was published in the Official Journal.

## PROPOSAL BY THE BOARD OF DIRECTORS

Dear Shareholders,

We would like to conclude this report by calling upon you to:

- approve the separate financial statements of your Company for the year ended 31 December 2025, which show a profit of EUR 42,916,241;
- carry forward the profit for the year.

Genoa, 10 March 2026

on behalf of the Board of Directors  
The Chief Executive Officer

Renato Alessandro Sturani



# INDEPENDENT AUDITORS' REPORT



KPMG S.p.A.  
Revisione e organizzazione contabile  
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(This independent auditors' report has been translated into English solely for the convenience of international readers. Accordingly, only the original Italian version is authoritative.)

## Independent auditors' report pursuant to article 14 of Legislative decree no. 39 of 27 January 2010

To the sole shareholder of  
ERG Power Generation S.p.A.

### Report on the audit of the financial statements

#### Opinion

We have audited the financial statements of ERG Power Generation S.p.A. (the "company"), which comprise the balance sheet as at 31 December 2025, the profit and loss account and cash flow statement for the year then ended and notes thereto.

In our opinion, the financial statements give a true and fair view of the financial position of ERG Power Generation S.p.A. as at 31 December 2025 and of its financial performance and cash flows for the year then ended in accordance with the Italian regulations governing their preparation.

#### Basis for opinion

We conducted our audit in accordance with the International Standards on Auditing (ISA Italia). Our responsibilities under those standards are further described in the "Auditors' responsibilities for the audit of the financial statements" section of our report. We are independent of the company, in accordance with the ethics and independence rules and standards applicable in Italy to audits of financial statements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

#### Other matters

As required by the law, the company disclosed the key figures from the latest financial statements of the company that manages and coordinates it in the notes to its own financial statements. Our opinion on the financial statements of ERG Power Generation S.p.A. does not extend to such data.

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  
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Catania Como Firenze Genova  
Lecce Milano Napoli Novara  
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Pescara Roma Torino Treviso  
Trieste Varese Verona

Società per azioni  
Capitale sociale  
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**ERG Power Generation S.p.A.**  
*Independent auditors' report*  
31 December 2025

### **Responsibilities of the company's directors and board of statutory auditors ("Collegio Sindacale") for the financial statements**

The directors are responsible for the preparation of financial statements that give a true and fair view in accordance with the Italian regulations governing their preparation and, in accordance with the Italian law, for such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

The directors are responsible for assessing the company's ability to continue as a going concern and for the appropriate use of the going concern basis in the preparation of the financial statements and for the adequacy of the related disclosures. The use of this basis of accounting is appropriate unless the directors believe that the conditions for liquidating the company or ceasing operations exist, or have no realistic alternative but to do so.

The *Collegio Sindacale* is responsible for overseeing, within the terms established by the Italian law, the company's financial reporting process.

### **Auditors' responsibilities for the audit of the financial statements**

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISA Italia will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with ISA Italia, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control;
- obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the company's internal control;
- evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors;
- conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the company to cease to continue as a going concern;



**ERG Power Generation S.p.A.**  
*Independent auditors' report*  
31 December 2025

- evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance, identified at the appropriate level required by ISA Italia, regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

### **Report on other legal and regulatory requirements**

#### ***Opinion and statement pursuant to article 14.2.e)/(e-bis)/(e-ter) of Legislative decree no. 39/10***

The company's directors are responsible for the preparation of a directors' report at 31 December 2025 and for the consistency of such report with the related financial statements and its compliance with the applicable law.

We have performed the procedures required by Standard on Auditing (SA Italia) 720B in order to:

- express an opinion on the consistency of the directors' report with the financial statements;
- express an opinion on the compliance of the director's report with the applicable law;
- issue a statement of any material misstatements in the directors' report.

In our opinion, the directors' report is consistent with the company's financial statements at 31 December 2025.

Moreover, in our opinion, the directors' report has been prepared in compliance with the applicable law.

With reference to the above statement required by article 14.2.e-ter) of Legislative decree no. 39/10, based on our knowledge and understanding of the entity and its environment obtained through our audit, we have nothing to report.

Genoa, 25 March 2026

KPMG S.p.A.

(signed on the original)

Andrea Carlucci  
Director of Audit

# BOARD OF STATUTORY AUDITORS' REPORT TO THE SHAREHOLDERS' MEETING FOR APPROVAL OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2025, PURSUANT TO ARTICLE 2429, PARAGRAPH 2, OF THE ITALIAN CIVIL CODE

## TO THE SHAREHOLDERS' MEETING OF ERG POWER GENERATION S.P.A.

During the year ended 31 December 2025, we conducted the supervisory activities required of the Board of Statutory Auditors, in accordance with Article 2403 of the Italian Civil Code and Italian Legislative Decree no. 58/98, as applicable, based on the standards of conduct of the Board of Statutory Auditors in companies controlled by companies with shares listed on regulated markets, issued by the Consigli Nazionali dei Dottori Commercialisti e degli Esperti Contabili (National Board of Chartered Accountants), also taking into account the specific applicable regulations. The Board states that it was able to verify compliance with all legislative and regulatory provisions.

As regards the main activities carried out by the Company and its Subsidiaries in 2025, reference is made to the notes to the Company's Financial Statements.

As regards the activities carried out by the Board during the 2025 financial year:

- we held 5 meetings, one of which was held jointly with the Boards of Statutory Auditors of the other companies in the Group, and participated in the (3) Shareholders' Meetings and the (8) Board of Directors' meetings, monitoring compliance with the articles of association and with the laws and regulations that govern the operation of Company bodies;
- we obtained information from the Directors, at least every quarter, on the overall activities carried out by the Company and on the transactions of greatest economic and financial relevance, verifying that the actions decided on and carried out complied with the law and with the articles of association and that they were not openly imprudent or reckless, potentially in conflict of interest or conflicting with the resolutions passed by the Shareholders' Meeting or such as to compromise the integrity of the company's capital;
- we verified the legitimacy of the management decisions made by the Management Body and their economic adequacy, excluding a verification of merit with regard to opportunity and feasibility;
- we checked the adequacy of the internal control system, structured at Group level and constantly updated, both within the parent company as well as within the subsidiaries. The Board of Statutory Auditors has acknowledged – based on the reports received – the positive assessment of the ERG S.p.A. Control and Risk Committee on the adequacy of the overall internal control system, as stated in its annual report on the activities carried out in 2025;
- we assessed the adequacy of the organisational, administrative and accounting framework adopted by the Company and its practical operation;
- during the financial year, we received the audit reports relating to the Company and its subsidiaries, which were carried out by the Parent Company's dedicated audit function under the direct supervision of the Chief Audit Officer;
- we noted in the joint meetings and from the report received from the Supervisory Body, established pursuant to Italian Legislative Decree no. 231/01, that no significant critical aspects were identified during the year as regards the implementation and effectiveness of the Organisation and Management Model;
- the administrative-accounting system, to the extent that we verified and assessed through information obtained from the Head of the respective function, from an examination of the corporate documentation and from an analysis of the work carried out by the Independent Auditors, is suitable in accurately representing the operating events;
- we verified the timeliness with which the parent company was provided both the data required to draw up the Financial Statements and the information required to fulfil the disclosure obligations pursuant to Articles 114 and 115 of Italian Legislative Decree no. 58/98;

During the supervisory activities, as described above:

- we did not identify any transaction that was atypical or could be defined as unusual either with respect to third parties or with intra-group companies or related parties, in terms of nature or extent;
- we found that ordinary transactions had been carried out on an intra-group basis and with related parties, confirming the existence of and compliance with procedures to ensure that these operations were duly documented, settled on an arm's length basis and in line with the best interests of the companies. These transactions were adequately illustrated by the Directors in the Financial Statements and in the Directors' Report, to which reference is made. With regard in particular to intra-group service agreements, we agreed with the cost charge-back criteria employed;
- we confirmed the consent expressed by the Board of Statutory Auditors in office during the year of recognition pursuant to Article 2426, paragraph 1(5-6) of the Italian Civil Code, of goodwill generated by the merger by incorporation, effective 1 January 2017, of ERG Renew Operations & Maintenance S.r.l. and ERG Renew S.p.A. into ERG Power Generation S.p.A. amounting to EUR 3,754 thousand, with an estimated useful life of ten years and a residual value in the 2025 Financial Statements of EUR 375 thousand;
- no complaints were made by the shareholders in accordance with Article 2408 of the Italian Civil Code;

- we have not received any reports from qualified public creditors pursuant to the provisions of the “Corporate Crisis Code” and related regulations;
- we did not issue any legal opinions during the year;
- we did not find any omissions or actions liable to censure or unlawful actions to be reported to the competent bodies or to be mentioned in this Report;

Moreover, we highlight the following:

- the company subject to management and coordination of the parent company ERG S.p.A.: in addition to the definition of business strategies, this activity includes the indication of strategic guidelines from an organisational perspective and personnel policies, as well as management of strategic finance and group treasury with respect to tax-related issues, especially with regard to planning, communication policies, policies regarding the environment, health and safety, and the IT systems;
- the obligations with regard to advertising, envisaged by Article 2497-bis of the Italian Civil Code were also respected. In particular, the decisions made as part of the management and coordination activities of ERG S.p.A. were mentioned in the Directors' Report;
- the Company proceeded to check the presence of impairment indicators in compliance with the provisions of OIC 9 accounting standard; the activities carried out revealed indications of impairment following the Group's impairment tests, which are described in the notes to the Consolidated Financial Statements;
- the Company reclassified the equity investment in the Swedish assets sold in January 2026 to current assets;
- the Company participates in the Domestic Tax Consolidation scheme, pursuant to Articles 117 et seq. of the Consolidated Law on Income Taxes, with the company ERG S.p.A., as consolidating company;
- compared with last year, there has been a reduction in the tax losses accumulated in previous years and transferred to the consolidated accounts by the parent company, resulting in a lower tax benefit from these losses; consequently, the write-off of deferred tax liabilities, which was significant last year (EUR 22,379 thousand) for 2025, was marginal.

The auditing of the Financial Statements was carried out by KPMG S.p.A., already appointed by parent company ERG S.p.A. to audit its Separate Financial Statements and the Consolidated Financial Statements.

Throughout the financial year, regular contact was maintained with the Independent Auditors, who were always present during the statutory audits to provide an update on the audit work in progress, with a view to the mutual exchange of relevant data and information.

The utmost collaboration was always noted, also with regard to the preliminary activities for preparation of the Financial Statements, and no significant facts or aspects worthy of mention were identified.

We examined the Consolidated Financial Statements for the year ended 31 December 2025, prepared in accordance with the international accounting standards issued by the IASB and, since we are not responsible for the analytical control of the content of the Financial Statements as mentioned above, we monitored the general approach given to the same, their general compliance with the law as regards formation and structure, and in this regard we have no particular observations to report, other than to draw attention to the results of the impairment test carried out, as is customary each year, in accordance with the Group Procedure approved by the Parent Company's Board of Directors. Specifically:

the valuations of assets in the 2025 Financial Statements did not indicate any need to adjust the values, in line with last year, with the exception of the impairment test for CGUs, which are measured this year at fair value (recoverable amount rather than value in use), with reference solely to the Spanish solar business for the reasons set out at length and in detail in the notes to the Consolidated Financial Statements (note 22) and the Separate Financial Statements; the French solar business has also been valued this year at fair value, but no need to adjust the values has been identified;

the financial impact of the impairment amounts to approximately EUR 37 million in the Separate Financial Statements (write-down of the Spanish investment only) and EUR 46 million in the Consolidated Financial Statements, relating solely to the Spanish plant. To support the valuations carried out, an independent third party was also engaged to perform a valuation exercise, which confirmed the Group's assessments. In the Separate Financial Statements, the amount of the write-down of equity investments is equal to EUR 74 million, as it also includes the write-down of the equity investment in ERG Sweden Holding AB in order to align its value with the sale price in January 2026; as previously reported, the equity investment, net of the write-down, was reclassified under current assets.

We verified compliance with the legal provisions relating to the preparation of the Directors' Report and in this regard we have no observations to report.

Specifically with regard to the supervisory activity for the Separate Financial Statements, the auditing of which was assigned to the independent auditors KPMG S.p.A., we declare that:

- the laws governing the preparation and arrangement of the financial statements and of the Directors' Report were respected. Moreover, the adoption of accounting standards based on the prospect of the company as a going concern is considered to be suitable, given the information illustrated in the Directors' Report with regard to the company's business outlook; the financial statement formats adopted and the accounting standards applied, described in the Notes to the Financial Statements, are compliant with the provisions of the law and adequate in relation to the company's business;
- as per the previous year, the Company has drawn up the Financial Statements in accordance with Italian accounting standards, for the purposes of lodging them with the Company Registry, also drawing up the periodic reports for the submission of the economic and financial position used to draw up the interim financial reports and the Consolidated Financial Statements of ERG S.p.A. in accordance with the IAS/IFRS international accounting standards;
- the Financial Statements agree with the facts and information of which the Board of Statutory Auditors became aware in the performance of its supervisory duties and in the exercise of its oversight and inspection powers;
- the Directors' Report is consistent with the requirements of Article 2428 of the Italian Civil Code and with the data and entries shown in the financial statements; in compliance with audit standard 720B, the Independent Auditors attests to the compliance of the Directors' Report with the law and issues a declaration on any significant errors. Therefore, the Board refers to the information provided by the Auditor in its report.



The Directors' Report includes also a description of the following:

- developments of the applicable regulatory framework in 2025, with reference to the matters considered to be of greatest interest or more directly relevant to the activities carried out directly or indirectly by the Company;
- the main risks and uncertainties to which the Company is exposed, in accordance with Article 2428 of the Italian Civil Code;
- the approval of the "2026 Bills Decree", as set out in the "financial statements", the impact of which on future years will depend largely on any amendments made during the conversion process and on the ARERA measures due to be issued shortly.

The Notes to the Financial Statements illustrate adequately any changes in the equity items, indicating the possibility of use and distribution of each item, along with any tax restrictions.

The Independent Auditors' Report, issued pursuant to Articles 14 of Italian Legislative Decree no. 39 of 27/1/2010 and 165 of Italian Legislative Decree no. 58 of 24/2/1998, on this day, expresses the opinion that *"the Financial Statements provide a true and accurate representation of the financial and economic position of ERG Power Generation S.p.A. at 31 December 2025, and of the economic results and cash flows for the year ended at said date, in accordance with the Italian legislation governing the drafting criteria."*

The Board of Statutory Auditors, within the scope of its responsibilities, acknowledging the results of the Separate Financial Statements at 31 December 2025 and of the Independent Auditors' Report on said Financial Statements, has no objections with regard to approval of the Financial Statements and of the proposal for allocation of profit as indicated by the Directors in the Notes to the Financial Statements.

Genoa, 25 March 2026

**The Board of Statutory Auditors**

Mr Fabrizio Cavalli  
Chairman

Ms Luisella Bergero  
Standing Statutory Auditor

Mr Vincenzo Campo Antico  
Standing Statutory Auditor



## **ERG POWER GENERATION S.P.A.**

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ERG S.p.A. - April 2026

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