



**Interim Condensed Consolidated Financial
Statements As Of And For The Three
Months Ended 31 March 2025**

Interim Condensed Consolidated Statement of Financial Position as of 31 March 2025

		As of 31 December 2024		As of 31 March 2025	
(€ thousand)	Notes	Total	of which, related parties	Total	of which, related parties
ASSETS					
Cash and cash equivalents	(6)	402,662		2,573,196	
Current financial assets		3,592	2,125	4,968	2,125
Trade and other receivables	(7)	905,092	234,138	971,146	237,183
Inventories		57,232		58,282	
Other current financial assets		5,878		5,803	
Other current non-financial assets	(9)	232,559	288	241,649	590
Total current assets		1,607,015		3,855,044	
Property, plant and equipment	(10)	383,327		390,354	
Intangible assets	(11)	8,833,270		8,859,155	
Investments accounted for using the equity method		155,715		158,210	
Non-current financial assets		339,747	1,570	341,762	1,595
Non-current tax receivables	(8)	17,612		17,357	
Other non-current financial assets		10,982		10,512	
Other non-current non-financial assets	(9)	619,322	406	571,263	455
Total non-current assets		10,359,975		10,348,613	
Assets held for sale		5,351		4,871	
TOTAL ASSETS		11,972,341		14,208,528	
LIABILITIES AND EQUITY					
Current financial liabilities	(12)	980,569	4,580	1,948,796	5,024
Trade and other payables	(13)	1,184,609	64,410	1,194,778	71,292
Current tax liabilities	(8)	25,562		104,924	
Other current non-financial liabilities		14,063	1,093	26,140	1,269
Total current liabilities		2,204,803		3,274,638	
Non-current financial liabilities	(12)	6,205,299	141,566	7,201,568	141,791
Provisions for risks and charges		92,122		87,277	
Provisions for employee benefits		61,279		59,207	
Deferred tax liabilities	(14)	48,345		36,768	
Other non-current non-financial liabilities		566,985		575,529	
Total non-current liabilities		6,974,030		7,960,349	
TOTAL LIABILITIES		9,178,833		11,234,987	
EQUITY					
Share capital	(15)	1,003,844		1,004,478	
Other reserves		175,584		175,613	
Retained earnings		799,635		1,278,489	
Profit for the year / period		478,854		168,765	
Equity attributable to Owners of the parent company		2,457,917		2,627,345	
Non-controlling interests		335,591		346,196	
TOTAL EQUITY		2,793,508		2,973,541	
TOTAL LIABILITIES AND EQUITY		11,972,341		14,208,528	

The accompanying notes are an integral part of these Interim Condensed Consolidated Financial Statements.

Interim Condensed Consolidated Income Statement for the three months ended 31 March 2025

(€ thousand)	Notes	For the three months ended 31 March 2024		For the three months ended 31 March 2025	
		Total	of which, related parties	Total	of which, related parties
Revenues		570,849	257,839	643,747	286,563
Other income		16,224	1,650	17,848	1,489
Total revenues and other income	(17)	587,073		661,595	
Costs for raw materials, consumables, supplies and goods		(26,319)	(3,202)	(22,797)	(3,005)
Costs for services		(127,087)	(2,499)	(129,063)	(2,618)
Lease expenses		(23,814)	(344)	(25,644)	(352)
Personnel costs		(69,163)		(70,938)	
Other expenses		(15,982)	(15,833)	(10,000)	(12,427)
Total costs and other expenses	(18)	(262,365)		(258,442)	
Amortisation, depreciation and impairment of assets	(19)	(131,969)		(123,382)	
Operating result		192,739		279,771	
Financial expense		(33,226)		(41,687)	
Financial income		7,061		7,003	
Gain/(loss) on derivative financial instruments measured at fair value		140		(116)	
Total net financial expense	(20)	(26,025)		(34,800)	
Share of the profit of investments in associates/joint ventures		3,733	3,733	2,495	2,495
Other income from equity investments		41		39	
Total net income from equity investments		3,774		2,534	
Profit before taxes		170,488		247,505	
Income taxes	(21)	45,245		68,154	
Profit for the period		125,243		179,351	
Attributable to:					
Owners of the parent company		117,532		168,765	
Non-controlling interests		7,711		10,586	
Earnings per share (€ per share)	(22)				
- basic and diluted from continuing operations		0.14		0.21	
- total basic and diluted		0.14		0.21	

The accompanying notes are an integral part of these Interim Condensed Consolidated Financial Statements

Interim Condensed Consolidated Statement of Comprehensive Income for the three months ended 31 March 2025

(€ thousand)	For the three months ended 31 March 2024	For the three months ended 31 March 2025
Profit for the period	125,243	179,351
Other comprehensive income		
<i>Components that may be reclassified subsequently to the income statement:</i>		
Fair value loss arising from hedging instruments during the period	(612)	(430)
Tax effect	147	103
Total components that may be reclassified subsequently to the income statement	(465)	(327)
<i>Components that will not be reclassified to the income statement:</i>		
Actuarial gains (losses) from remeasurement of defined benefit plans for employees	(107)	
Change in fair value of investments measured at FVTOCI	317	165
Tax effect	(59)	(46)
Total components that will not be reclassified to the income statement	151	119
Total other comprehensive income, net of tax effect	(314)	(208)
Total comprehensive income for the period	124,929	179,143
Attributable to Owners of the parent company	117,258	168,557
Attributable to non-controlling interests	7,671	10,586

Interim Condensed Consolidated Statement of changes in Equity for the three months ended 31 March 2025

	Share capital	Consolidation reserve	Share premium reserve	Legal reserve	Reserve for defined-benefit plans for employees, net of tax effect	Fair value reserve for cash flow hedge derivatives, net of tax effect	Reserve for business combinations under common control	Stock grant reserve	Fair value valuation reserve for equity investments	Other reserves	Retained earnings	Profit for the year / period	Equity attributable to owners of the parent company	Non-controlling interests	Total equity
(€ thousand)															
Balance as of 1 January 2024 (a) (Note 15)	1,003,228	(323,907)	626,252	200,646	(7,024)	22,683	(349,839)	9,417	238	13,063	645,747	439,568	2,280,072	320,672	2,600,744
Profit for the three months ended 31 March 2024												117,532	117,532	7,711	125,243
Other components of comprehensive income:															
<i>Components that may be reclassified subsequently to the income statement:</i>															
- Fair value loss arising from hedging instruments during the period, net of tax effect						(465)							(465)		(465)
<i>Components that will not be reclassified to the income statement:</i>															
- Actuarial losses from remeasurement of defined-benefit plans for employees, net of tax effect					(37)								(37)	(40)	(77)
- Change in fair value of investments measured at FVTOCI, net of tax effect									228				228		228
Total comprehensive income for the three months ended 31 March 2024 (b)					(37)	(465)			228			117,532	117,258	7,671	124,929
Transactions with shareholders:															
- Allocation of 2023 profit for the year											439,568	(439,568)			
- Change in Stock grant reserve								840					840		840
Total transactions with shareholders (c)				-				840			439,568	(439,568)	840	-	840
Other changes in equity (d)										(1,326)			(1,326)	5,885	4,559
Balance as of 31 March 2024 (e=a+b+c+d) (Note 15)	1,003,228	(323,907)	626,252	200,646	(7,061)	22,218	(349,839)	10,257	466	11,737	1,085,315	117,532	2,396,844	334,228	2,731,072

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	Share capital	Consolidation reserve	Share premium reserve	Legal reserve	Reserve for defined-benefit plans for employees net of tax effect	Fair value reserve for cash flow hedge derivatives, net of tax effect	Reserve for business combinations under common control	Stock grant reserve	Fair value valuation reserve for equity investments	Other reserves	Retained earnings	Profit for the year / period	Equity attributable to owners of the parent company	Non-controlling interests	Total equity
(€ thousand)															
Balance as of 1 January 2025 (a) (Note 15)	1,003,844	(323,907)	628,395	200,769	(7,429)	11,524	(349,839)	8,232	319	7,520	799,635	478,854	2,457,917	335,591	2,793,508
Profit for the three months ended 31 March 2025												168,765	168,765	10,586	179,351
Other components of comprehensive income:															
Components that may be reclassified subsequently to the income statement:															
- Fair value loss arising from hedging instruments during the period, net of tax effect						(327)							(327)		(327)
Components that will not be reclassified to the income statement:															
- Change in fair value of investments measured at FVTOCI, net of tax effect									119				119		119
Total comprehensive income for the three months ended 31 March 2025 (b)					-	(327)			119			168,765	168,557	10,586	179,143
Transactions with shareholders:															
- Allocation of 2024 profit for the year											478,854	(478,854)			
- Change in Stock grant reserve	634		2,312					(1,666)		(688)			592		592
Total transactions with shareholders (c)	634		2,312	-				(1,666)		(688)	478,854	(478,854)	592	-	592
Other changes in equity (d)										279			279	19	298
Balance as of 31 March 2025 (e=a+b+c+d) (Note 15)	1,004,478	(323,907)	630,707	200,769	(7,429)	11,197	(349,839)	6,566	438	7,111	1,278,489	168,765	2,627,345	346,196	2,973,541

The accompanying notes are an integral part of these Interim Condensed Consolidated Financial Statements

Interim Condensed Consolidated Statement of Cash Flow for the three months ended 31 March 2025

(€ thousand)	Notes	For the three months ended 31 March 2024	For the three months ended 31 March 2025
Profit for the period		125,243	179,351
Adjustments for:			
Amortisation, depreciation and impairment of assets	(19)	131,969	123,382
Share of the profit of investments in associates/joint ventures		(3,733)	(2,495)
Other income from equity investments		(41)	(39)
Other gains and losses		841	791
Losses arising from the disposal of non-current assets		9,189	4,542
Financial income (including Gain/(loss) on derivative financial instruments measured at fair value)		(7,201)	(6,887)
Financial expense		33,226	41,687
Income taxes	(21)	45,245	68,154
Change in provisions for employee benefits		(2,587)	(2,607)
Changes in working capital:			
- Inventories		1,021	(1,050)
- Trade receivables		(58,216)	(69,736)
- Trade payables		(38,210)	(21,131)
- Provisions for risks and charges		(618)	(5,165)
- Other assets		10,850	41,052
- Other liabilities		128,617	125,097
Financial income collected		2,019	1,411
Financial expense paid		(34,771)	(64,156)
Income taxes paid, net of tax credits reimbursed		(1,222)	(47)
Net cash flow from operating activities		341,621	412,154
<i>of which, related parties</i>	(25)	<i>169,464</i>	<i>310,091</i>
Investments:			
- Property, plant and equipment		(3,342)	(8,076)
- Intangible assets		(192,001)	(138,273)
- Business combinations, net of cash acquired		51,112	
- Equity investments		-	(911)
- Change in financial receivables instrumental to operating activities		1,084	(334)
- Change in payables for investments		(58,775)	(79,775)
Disinvestments:			
- Property, plant and equipment		-	531
- Equity investments		2,336	-
Net cash flow from investing activities		(199,586)	(226,838)
Proceeds from non-current financial debt		641,713	998,750
Repayment of non-current financial debt		(385,417)	
Increase in current financial debt		(22,151)	997,787
Proceeds from financial assets		(4,536)	(1,375)
Repayment of lease liabilities		(11,110)	(9,944)
Net cash flow from financing activities		218,499	1,985,218
<i>of which, related parties</i>	(25)	<i></i>	<i>669</i>
Net cash flow for the period		360,534	2,170,534
Opening cash and cash equivalents	(6)	249,963	402,662
Closing cash and cash equivalents	(6)	610,497	2,573,196

The accompanying notes are an integral part of these Interim Condensed Consolidated Financial Statements

Notes to the Interim Condensed Consolidated Financial Statements

Group Information

The Italgas Group, comprising the parent company Italgas S.p.A. and its subsidiaries (collectively referred to as “Italgas”, “Italgas Group” or “Group”), operates in the regulated activities of natural gas distribution, water services and energy efficiency.

Italgas S.p.A. is a joint stock company incorporated under Italian law and listed on the Milan Stock Exchange, with registered offices in Milan, via Carlo Bo 11.

CDP S.p.A. has “de facto” control over Italgas S.p.A. pursuant to the accounting principle IFRS 10 “Consolidated Financial Statements”.

As of 31 March 2025, CDP S.p.A. holds, directly through CDP Reti S.p.A.¹, a 25.96% stake in Italgas S.p.A. and, indirectly through Snam S.p.A., a 4.22% stake.

The parent company, Italgas S.p.A., is not subject to direction and coordination activities. Italgas S.p.A. exercises direction and coordination activities over its subsidiaries pursuant to Articles 2497 et seq. of the Italian Civil Code.

1) Basis of preparation

The Interim Condensed Consolidated Financial Statements as of 31 March 2025, hereinafter also the “Interim Consolidated Financial Statements”, were prepared in accordance with the provisions of IAS 34 “Interim financial reporting”. As permitted by this standard, the Interim Consolidated Financial Statements do not include all the information required in annual consolidated financial statements and, therefore, must be read together with Italgas Group's Consolidated Financial Statements for the year ending 31 December 2024 (“2024 Consolidated Financial Statements”). The Notes to the Interim Consolidated Financial Statements are presented in summary form.

The Interim Consolidated Financial Statements as of and for the three months ended 31 March 2025, approved and authorised for issue by the Board of Directors of Italgas S.p.A. at the meeting of 6 May 2025 were subjected to a limited review by Deloitte & Touche S.p.A. The limited review involves an amount of work significantly reduced compared to the audit required by generally accepted auditing standards.

The Interim Consolidated Financial Statements are presented in Euro. Amounts in the Interim Consolidated Financial Statements and related Notes, considering their size are expressed in thousands of Euro, unless otherwise indicated.

2) Consolidation principles and measurement criteria

The Interim Consolidated Financial Statements apply the consolidation principles and the measurement criteria described when preparing the annual consolidated financial statements, to which reference is made. The Group did not have any changes to its accounting policies from those applied in the 2024 Consolidated Financial Statements, with the exception of the international accounting standards that came into effect on 1 January 2025, as detailed in the following section 4 below.

No changes has been made to the Interim Condensed Consolidated Statement of Financial Position, Interim Condensed Consolidated Income Statement, Interim Condensed Consolidated Statement of Comprehensive Income and Interim Condensed Consolidated Statement of Cash Flow (together, the “Financial Statements”) respect to those presented in the 2024 Consolidated Financial Statements.

3) Use of estimates

With reference to the description of the use of accounting estimates, please refer to the Note to 2024 Consolidated Financial Statements.

¹ CDP S.p.A. holds 59.10%.

4) Accounting standards, amendments and interpretations issued by the IASB (International Accounting Standards Board), approved by the European Union (EU) that came into effect on 1 January 2025

The following provision issued by the IASB (International Accounting Standards Board) entered into effect in the European Union on 1 January 2025:

On 15 August 2023, the International Accounting Standards Board (IASB) published “Lack of Exchangeability (Amendments to IAS 21)”, an amendment that contains the criteria for determining when one currency is convertible into another and how to determine the exchange rate when it is not.

This amendment specifies that a currency is a convertible currency when an entity is able to exchange that currency for another through markets or exchange mechanisms that create rights and obligations applicable without undue delay at the valuation date and for a specific purpose; a currency is not exchangeable for another if an entity can obtain only a small amount of the other currency. It also defines how to determine the exchange rate to be applied when a currency is not convertible, in this case at the valuation date, the spot exchange rate is estimated as the rate that would have been applied to a transaction ordered between market participants at the valuation date and that would faithfully reflect existing economic conditions. Furthermore, additional disclosures are required when a currency is not convertible: in particular, in such a case, information must be provided to allow readers of the financial statements to assess how the inability to convert a currency affects, or is expected to affect, profit or loss, financial position and cash flows.

The adoption of this amendment had no effect on the Interim Consolidated Financial Statements of the Group. The Group has not early adopted any of the forthcoming new or amended accounting standards in preparing these condensed consolidated interim financial statements.

5) Business combinations

During the 2024, Italgas completed the acquisition of 96.23% of the equity investment in Acqua Campania S.p.A. from Vianini Lavori S.p.A. and the Veolia Group for a total consideration of 16,823 thousand euro.

The purchase price allocation of this acquisition was finalized in the first quarter ended 31 March 2025 without changes compared to the provisional allocation recorded in 2024 Consolidated Financial Statements.

There were no acquisitions for the three months ended 31 March 2025.

6) Cash and cash equivalents

Cash and cash equivalents, equal to 2,573,196 thousand euro (402,662 thousand euro as of 31 December 2024), refer to current account deposits held at banks.

The increase of 2,170,534 thousand euro is mainly due to the liquidity derived from (i) the “dual-tranche” issuance notes on 06 March 2025 under the EMTN programme, for an amount of 500 million euro each, and (ii) the draw on the so-called term credit line of 1,000 million euro, granted under the financing agreement signed on 5 October 2024 with a pool of financing banks, aimed at the acquisition of 99.94% of the share capital of 2i Rete Gas S.p.A..

Cash and cash equivalents are not subject to any usage restrictions, except for 42,422 thousand euro (43,400 thousand euro as of 31 December 2024) relating to collections on behalf of the Region Campania for water monitoring activities, which have not yet been paid to the Region Campania at the reference data.

7) Trade and other receivables

Trade and other receivables, amounting to 971,146 thousand euro (905,092 thousand euro as of 31 December 2024) include the following:

(€ thousand)	As of 31 December 2024	As of 31 March 2025
Trade receivables	751,969	823,943
Receivables from acquisition/disposal activities	5,278	5,278
Other receivables	147,845	141,925
	905,092	971,146

Trade receivables (823,943 thousand euro as of 31 March 2025 and 751,969 thousand euro as of 31 December 2024) increased by 71,974 thousand euro, mainly due to the increase in receivables (i) from sales companies for gas distribution services in Italy (42,169 thousand euro) and Greece (4,519 thousand euro), (ii) from customers of the water service (7,632 thousand euro), and (iii) related to energy efficiency activities (11,652 thousand euro).

Other receivables (141,925 thousand euro as of 31 March 2025 and 147,845 thousand euro as of 31 December 2024) break down as follows:

(€ thousand)	As of 31 December 2024	As of 31 March 2025
IRES receivables for the national tax consolidation regime	5,154	5,154
Receivables expected to be collected from CSEA	68,152	76,758
Receivables from the Public administration	2,833	2,948
Prepayments	43,386	27,378
Receivables from personnel	2,633	2,839
Receivables from ex Casmez users	18,668	18,964
Sundry other	7,019	7,897
	147,845	141,925

8) Current and non-current tax receivables/liabilities

Current and non-current tax receivables/liabilities break down as follows:

(€ thousand)	As of 31 December 2024			As of 31 March 2025		
	Current	Non-current	Total	Current	Non-current	Total
Tax receivables	-	17,612	17,612	-	17,357	17,357
- IRES	-	17,612	17,612	-	17,357	17,357
Tax liabilities	25,562	-	25,562	104,924	-	104,924
- IRES	6,449		6,449	62,820		62,820
- IRAP	14,822		14,822	27,128		27,128
- Foreign Taxes	4,291		4,291	14,976		14,976

The increase of the period refers to the tax provision for the period.

9) Other current and non-current non-financial assets

Other current non-financial assets, amounting to 241,694 thousand euro (232,559 thousand euro as of 31 December 2024) and other non-current non-financial assets, amounting to 571,263 thousand euro (619,322 thousand euro as of 31 December 2024), break down as follows:

(€ thousand)	As of 31 December 2024			As of 31 March 2025		
	Current	Non-current	Total	Current	Non-current	Total
Other regulated activities	53,386	392,928	446,314	53,386	367,862	421,248
Other assets	179,173	226,394	405,567	188,263	203,401	391,664
- Other current taxes	37,885		37,885	32,294		32,294
- Accrued income and deferrals	10,468	785	11,253	12,738	764	13,502
- Security deposits	-	3,970	3,970	-	4,009	4,009
- Super/Ecobonus	128,910	219,760	348,670	143,231	197,157	340,388
- Other	1,910	1,879	3,789	-	1,471	1,471
	232,559	619,322	851,881	241,649	571,263	812,912

Other regulated activities (421,248 thousand euro as of 31 March 2025 and 446,314 thousand euro as of 31 December 2024) decreased by 25,066 thousand euro, mainly due to lower receivables related to the gas distribution tariff in Greece (so-called "Recoverable difference") amounting to 26,725 thousand euro.

Other assets amounting to 391,664 thousand euro (405,567 thousand euro as of 31 December 2024) decreased by 13,903 thousand euro, mainly due to lower receivables for Super/Ecobonus (8,282 thousand

euro) and lower receivables for other current taxes (5,591 thousand euro), of which lower VAT receivables (7,474 thousand euro), partially offset by higher other taxes receivables (1,883 thousand euro).

10) Property, plant and equipment

Property, plant and equipment, amounting to 390,354 thousand euro as of 31 March 2025 (383,327 thousand euro as of 31 December 2024), breaks down as follows:

(€ thousand)	Land	Buildings	Plant and equipment	Industrial and commercial equipment	Other assets	Work in progress and payments on account	Total
Cost as of 31.12.2024	19,424	537,276	44,521	195,751	94,610	23,256	914,838
of which Right of Use as of 31.12.2024	5,105	68,720	-	62,496	65,533	-	201,854
Additions	2	311	34	1,227	563	5,939	8,076
Right of Use additions	232	749	-	9,367	4,507	-	14,855
Disposals	-	(137)	(35)	(117)	(1,599)	(166)	(2,054)
Disposals of Right of Use	-	(29)	-	(2,618)	(539)	-	(3,186)
Reclassifications	-	74	4	16	1,216	(2,325)	(1,015)
Reclassifications of Right of Use	-	-	-	-	1,015	-	1,015
Cost as of 31.03.2025	19,658	538,244	44,524	203,626	99,773	26,704	932,529
Accumulated depreciation as of 31.12.2024	(827)	(270,006)	(25,421)	(168,238)	(66,919)	-	(531,411)
of which Right of Use as of 31.12.2024	(827)	(37,731)	-	(52,269)	(41,607)	-	(132,434)
Depreciation	-	(2,739)	(669)	(1,337)	(471)	-	(5,216)
Amortisation of Right of Use	(140)	(2,298)	-	(2,615)	(2,917)	-	(7,970)
Disposals	-	-	-	1	531	-	532
Disposals of Right of Use	-	388	-	1,449	153	-	1,990
Reclassifications	-	141	-	-	(141)	-	-
Accumulated depreciation as of 31.03.2025	(967)	(274,514)	(26,090)	(170,740)	(69,764)	-	(542,075)
Provision for impairment of asset as of 31.12.2024	-	-	(5)	-	-	(95)	(100)
Provision for impairment of asset as of 31.03.2025	-	-	(5)	-	-	(95)	(100)
Net balance as of 31.12.2024	18,597	267,270	19,095	27,513	27,691	23,161	383,327
Net balance as of 31.03.2025	18,691	263,730	18,429	32,886	30,009	26,609	390,354
- of which Right of Use as 31.03.25	4,371	29,799	-	15811	26,143	-	76,124

During the period, there were no changes in the estimated useful life of assets or in the depreciation rates applied.

Property, plant and equipment are not collateralised and there are no restrictions on ownership and property.

Contractual commitments to purchase property, plant and equipment, and to provide services related to the construction thereof, are reported in section “Guarantees, commitments and risks”. During the period, no impairment indicators were observed, nor any significant variations to the measurement of the recoverability of the value recognised in the financial statements for Property, plant and equipment.

11) Intangible assets

Intangible assets, amounting to 8,859,155 thousand euro as of 31 March 2025 (8,833,270 thousand euro as of 31 December 2024) break down as follows.

(€ thousand)	Finite useful life					Indefinite useful life	Total
	Service concession arrangements	Industrial patent rights and intellectual property rights	Work in progress and payments on account IFRIC 12	Work in progress and payments on account	Other Intangible Assets	Goodwill	
Cost as of 31.12.2024	14,153,106	656,126	214,638	26,360	188,932	190,463	15,429,625
Additions	72,240	497	64,020	5,934	92	-	142,783
Government grants	-	-	(4,510)	-	-	-	(4,510)
Disposals	(11,715)	-	(187)	-	(73)-	-	(11,975)
Reclassifications	26,520	2,090	(26,808)	(2,256)	454	-	-
Cost as of 31.03.2025	14,240,151	658,713	247,153	30,038	189,405	190,463	15,555,923
Accumulated amortisation as of 31.12.2024	(5,849,307)	(547,393)	-	-	(160,821)	-	(6,557,521)
Amortisation	(99,676)	(10,229)	-	-	(1,589)	-	(111,494)

ITALGAS INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS AS OF AND FOR THE THREE MONTHS ENDED 31 MARCH 2025 – NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

Disposals	9,760	-	-	23	-	9,783
Accumulated amortisation as of 31.03.2025	(5,939,223)	(557,622)	-	(162,387)	-	(6,659,232)
Provision for impairment of asset as of 31.12.2024	(35,085)	(10)	(2,448)	(1,291)	-	(38,834)
Uses	1,220	-	79	(1)	-	1,298
Provision for impairment of asset as of 31.03.2025	(33,865)	(10)	(2,369)	(1,292)	-	(37,536)
Net balance as of 31.12.2024	8,268,714	108,723	212,190	26,360	26,820	190,463
Net balance as of 31.03.2025	8,267,063	101,081	244,784	30,038	25,726	190,463

The additions, amounting to 142,783 thousand euro, primarily include technical investments in concession assets made during the quarter (of which 136,260 thousand euro mainly for the extension and extraordinary maintenance of the network).

No impairment indicators were recorded during the period, nor were there any significant changes in the measurement of Goodwill.

Contractual commitments to purchase intangible assets, and to provide services related to the development thereof, are reported in section - “Guarantees, commitments and risks”.

12) Current and non-current financial liabilities

Current financial liabilities, amounting to 1,948,796 thousand euro (980,569 thousand euro as of 31 December 2024) and *Non-current financial liabilities*, amounting to 7,201,568 thousand euro (6,205,299 thousand euro as of 31 December 2024), break down as follows:

(€ thousand)	As of 31 December 2024					
	Current liabilities			Non-current liabilities		
	Current liabilities	Current portion of long-term liabilities	Total current liabilities	Non-current portion due within 5 years	Non-current portion due beyond 5 years	Total non-current liabilities
Bank loans	250,334	70,744	321,078	429,099	483,548	912,647
Notes	-	569,817	569,817	3,111,521	2,136,922	5,248,443
Lease liabilities (IFRS 16 and IFRIC 12)	24,625	21,649	46,274	34,940	9,269	44,209
Other loans	43,376	24	43,400	-	-	-
	318,335	662,234	980,569	3,575,560	2,629,739	6,205,299

(€ thousand)	As of 31 March 2025					
	Current liabilities			Non-current liabilities		
	Current liabilities	Current portion of long-term liabilities	Total current liabilities	Non-current portion due within 5 years	Non-current portion due beyond 5 years	Total non-current liabilities
Bank loans	1,248,101	77,331	1,325,432	442,117	470,695	912,812
Notes	-	535,702	535,702	3,610,930	2,634,047	6,244,977
Lease liabilities (IFRS 16 and IFRIC 12)	18,469	26,848	45,317	34,888	8,891	43,779
Other loans	42,320	25	42,345	-	-	-
	1,308,890	639,906	1,948,796	4,087,935	3,113,633	7,201,568

On 27 February 2025, under the EMTN Programme, Italgas issued a "dual-tranche" note with fixed rates and maturities of 5 and 9 years, maturing on 6 March 2030 and 2034, respectively, with each tranche amounting to 500 million euro and annual coupons of 2.875% and 3.500%, respectively.

On 31 March 2025, Italgas drew on the so-called term credit line of 1,000 million euro², granted under the financing agreement signed on 5 October 2024 with J.P. Morgan Chase Bank, N.A. – Milan Branch, Banco BPM S.p.A., Bank of America Europe Designated Activity Company – Milan Branch, Citibank N.A. – Milan Branch, Morgan Stanley Bank AG, and Société Générale – Milan Branch, as the financing banks.

There are no non-current financial liabilities in currencies other than Euro.

²On this credit line an annual interest rate equal to EURIBOR (with a floor equal to 0%), plus a margin applicable, which varies depending on the period considered. The credit line must be redeemed by 13 August 2025. However, this period may be extended at the discretion of the borrower by a further six months up to twice, on the terms and conditions as best indicated in the loan agreement.

There were no breaches of loan agreements as at the reporting date.

For more information, see “Financial covenants and negative pledge contractual clauses” below.

Breakdown of total financial liabilities by interest rate type

As of 31 March 2025, the debt accounted for 77.6% of financial and bond debt (85.4% as of 31 December 2024), while floating-rate debt stood at 22.4% (14.6% as of 31 December 2024).

Financial covenant and negative pledge contractual clauses

As of 31 March 2025 Italgas had unsecured bilateral and syndicated loan agreements in place with banks and other financial institutions.

As of 31 March 2025, there are no loan agreements containing financial covenants, with the exception of the EIB loan signed by Toscana Energia which provides for compliance with certain financial covenants. In particular, the loan agreement with the EIB requires compliance with financial covenants, such as the ratio between (i) net financial position (calculated on an aggregate basis for the entire Italgas Group) and EBITDA, as defined in the contractual documentation, (ii) the sum of FFO and financial charges and the sum of repayments of the principal portion of financial debt over the last 12 months, as defined in the contractual documentation, and (iii) net financial position and RAB, as defined in the contractual documentation.

Some of the loan agreements provide, inter alia, for the following: (i) negative pledge undertakings, pursuant to which Italgas and the subsidiaries are subject to limitations regarding the creation of real rights of guarantee or other restrictions concerning all or part of the respective assets, shares or goods; (ii) *pari passu* and change of control clauses; (iii) limitations on some extraordinary transactions that the Company and its subsidiaries may carry out.

Furthermore, limited to the EIB loans subscribed by the Italgas Group, the lender has the option to request additional guarantees if the credit rating assigned to Italgas is below BBB- (Fitch Ratings Limited) or Baa3 (Moody's) or in the event of the loss of any rating. If these additional guarantees are not deemed satisfactory, the European Investment Bank would have the right to request the immediate early repayment of the loans it has provided.

Failure to comply with the commitments established for these loans - in some cases only when this non-compliance is not remedied within a set time period - and the occurrence of other events, such as cross-default events, some of which are subject to specific threshold values, may result in Italgas and Toscana Energia failure to comply and could trigger the early repayment of the relative loan. The covenants are tested periodically and were respected as of the last period (31 December 2024).

Notes issued by Italgas mainly referred to securities issued under the Euro Medium Term Notes programme. The covenants established for the programme's securities are typical of international market practice and consist of, inter alia, negative pledge and *pari passu* clauses.

Breakdown of net financial debt

A breakdown of net financial debt with evidence of related party transactions is shown in the table below:

(€ thousand)	As of 31 December 2024	As of 31 March 2025
A. Cash	401,610	2,572,144
B. Cash equivalents	1,052	1,052
C. Other current financial assets	9,470	10,771
D. Liquidity (A+B+C)	412,132	2,583,967
E. Current financial debt	318,335	1,308,890
F. Current portion of non-current financial debt (*)	662,234	639,906
G. Current financial debt (E+F)	980,569	1,948,796
<i>of which, related parties</i>	<i>4,580</i>	<i>5,024</i>
H. Net current financial debt (G-D)	568,437	(635,171)
I. Non-current financial debt (excluding the current portion and debt instruments) (*)	945,874	946,079
J. Debt instruments	5,248,443	6,244,977
K. Trade and other non-current payables		
L. Non-current financial debt (I+J+K)	6,194,317	7,191,056
<i>of which, related parties</i>	<i>141,566</i>	<i>141,791</i>
M. Net financial debt (H+L)	6,762,754	6,555,885

(*) Including IFRS 16 and IFRIC 12 financial debts of which 43,779 thousand euro non-current (44,209 thousand euro as at 31 December 2024), 26,848 thousand euro current portions of non-current financial debts (21,649 thousand euro as at 31 December 2024) and 18,469 thousand euro current portions of IFRIC 12 financial debts (24,625 thousand euro as at 31 December 2024).

13) Trade and other payables

Trade and other payables, amounting to 1,194,778 thousand euro (1,184,609 thousand euro as of 31 December 2024), comprise the following:

(€ thousand)	As of 31 December 2024	As of 31 March 2025
Trade payables	249,659	234,685
Payments on account and prepayments	5,345	3,812
Other payables	929,605	956,281
	1,184,609	1,194,778

Trade payables, amounting to 234,685 thousand euro (249,659 thousand euro as of 31 December 2024), decreased by 14,974 thousand euro, mainly due to lower debts relating to the gas distribution service in Greece (12,486 thousand euro).

Other payables (956,281 thousand euro as of 31 March 2025 and 929,605 thousand euro as of 31 December 2024) break down as follows:

(€ thousand)	As of 31 December 2024	As of 31 March 2025
Payables - shareholders for dividends	5,776	5,776
Payables - liquidation of Group VAT	-	4,507
Payables for investment activities	412,689	332,915
Payables to the Campania Region for ACO concession	241,566	250,343
Payables to the public administration	105,822	97,567
Payables to CSEA	92,300	184,528
Payables to personnel	32,304	40,067
Payables to social security institutions	17,949	13,847
Payables to consultants and professionals	5,187	4,808
Sundry other	16,012	21,923
Other payables	929,605	956,281

Payables from related parties are described in Note “Related party transactions”.

Amortised cost method was not applied considering that the effects arising from its application are irrelevant, because they are due within the next 12 months and any costs, commissions and any other difference between the initial value and the maturity value are negligible.

14) Deferred tax liabilities

Deferred tax liabilities of 36,768 thousand euro (48,345 thousand euro as of 31 December 2024) are stated net of offsettable deferred tax assets and are analysed in the tables below:

(€ thousand)	As of 31 December 2024	Provisions	Uses	Other changes	As of 31 March 2025
Deferred tax liabilities	328,550	1,590	(6,951)	(751)	322,438
Deferred tax assets	(280,205)	(7,497)	5,764	(3,732)	(285,670)
	48,345	(5,907)	(1,187)	(4,483)	36,768

There are no deferred taxes which cannot be offset.

Deferred tax assets and deferred tax liabilities are classified as non-current.

15) Equity

Equity, amounting to 2,973,541 thousand euro as of 31 March 2025 (2,793,508 thousand euro as of 31 December 2024) breaks down as follows:

(€ thousand)	As of 31 December 2024	As of 31 March 2025
Equity attributable to the Owners of the parent company	2,457,917	2,627,345
Share capital	1,003,844	1,004,478
Legal reserve	200,769	200,769
Share premium reserve	628,395	630,707
Reserve Cash flow hedge on derivative contracts	11,524	11,197
First-time consolidation reserve	(323,907)	(323,907)
Reserve for business combinations under common control	(349,839)	(349,839)
Stock grant reserve	8,232	6,566
OCI Fair value valuation reserve for equity investments	319	438
Other reserves	7,520	7,111
Retained earnings	799,635	1,278,489
OCI Reserve for remeasurement of defined-benefit plans for employees	(7,429)	(7,429)
Net profit for the year / period	478,854	168,765
Equity attributable to non-controlling interests	335,591	346,196
	2,793,508	2,973,541

16) Guarantees, commitments and risks

Guarantees, commitments and risks, amounting to 2,094,672 thousand euro as of 31 March 2025 (2,015,158 thousand euro as of 31 December 2024) comprise:

(€ thousand)	As of 31 December 2024	As of 31 March 2025
Bank guarantees given in the interest of Group companies	505,240	502,885
Financial commitments and risks:	1,509,918	1,591,787
Commitments	1,275,737	1,375,791
Commitments for the purchase of goods and services	1,275,737	1,375,791
Risks	234,181	215,996
- for compensation and litigation	234,181	215,996
	2,015,158	2,094,672

Guarantees

Guarantees of 502,885 thousand euro (505,240 thousand euro as at 31 December 2024) refer mainly to guarantees issued with regard to sureties and other guarantees issued in the favour of consolidated companies.

Commitments

As at 31 March 2025, commitments amounted to 1,375,791 thousand euro (1,275,737 thousand euro as at 31 December 2024). Commitments with suppliers to purchase property, plant and equipment and provide services relating to the purchase of property, plant and equipment and intangible assets under.

In addition, the residual commitments made by the Italgas Group with the Contracting Authorities for the implementation of investments arising from the awarding of gas distribution service area tenders amount to 761,0 million euro. Furthermore, the Italgas Group made commitments with the Municipalities with existing non-expired concessions, including new methane gasifications, and concessions assigned on the basis of Italian Legislative Decree no. 164/2000, known as the “Letta Decree”, for over 36.8 million euro.

In Greece, with Decision E-173/2024 published in the Official Gazette of the Greek government B' 6152/07.11.2024, a Development Programme was approved for the company Enaon EDA for the natural gas distribution networks in the regions of Attica, Thessaloniki, Thessalia and remainder of Greece for the 2024-2028 period (At 31 March 2025, these commitments amounted to approximately 587.9 million euro)

The investments will be mainly allocated to the development and upgrading of the gas distribution network in Italy and Greece.

Other unvalued commitments

The acquisition of the equity investment of Enerco Distribuzione by the subsidiary Italgas Reti, which took place in 2017, is subject to an ownership price adjustment (so-called “earn-out”) clause.

The acquisition of the “Alessandria 4 ATEM” business unit by the subsidiary Italgas Reti, which took place in 2020, is subject to a price adjustment (so-called “earn-out”) clause if the Alessandria 4 ATEM tender is awarded within 10 years of the signing date and if the contracting authority in the aforesaid tender procedure recognises a higher reimbursement value than the pro-forma value under the agreement, for the same year of reference.

On 27 December 2022, Alia Servizi Ambientali S.p.A. (“Alia”), Toscana Energia and Italgas signed a contract concerning, among other things, “put and call” options, on the basis of which Italgas is entitled to purchase 30,134,618 shares held in Toscana Energia by Alia, amounting to approximately 20.6099% of the share capital of Toscana Energia (“Alia’s TE Shares” and “Toscana Energia Call Option”) and Alia is entitled to sell Alia’s TE Shares to Italgas.

In accordance with the terms and conditions set out by the contract, on 14 January 2025 Italgas exercised the Toscana Energia Call Option by sending the relative notice to Alia. The envisaged contractual price to purchase Alia’s TE shares is to be determined as the “fair market value” at the date of execution of the Toscana Energia Call Option, calculated by an international financial institution named jointly by the parties.

As part of the investment agreement signed on 26 July 2022, and subsequently amended, between Energetica S.p.A. and Medea S.p.A. related to the entry of the latter into the share capital of Energie Rete Gas S.r.l. (“ERG”) for a 49% stake through the contribution, and subsequent sale, to ERG of assets and activities of Medea relating to gas transmission (the “Medea ERG Transaction”), the Parties, inter alia, agreed to restore the legal situation prior to the Medea ERG Transaction if ERG does not obtain, by 31 December 2025, (i) recognition, from the competent ministry, among the infrastructure and/or regional transmission services of natural gas, and (ii) recognition, under the tariff regulatory profile, as regional transport service.

The acquisition in 2023 of the business unit to which the concessions held in Italy in the water sector belonged is subject to an ownership price adjustment (so-called “earn-out”) clause, to be determined for four years according to annual measurements based on net takings on certain receivables by the associated companies Siciliacque and Acqualatina.

On 5 October 2024, a purchase and sale agreement was signed by Italgas as the purchaser, and by F2i SGR S.p.A., in the name and on behalf of the F2i Terzo Fondo per le Infrastrutture, and Finavias S.à r.l., as sellers. The agreement regulates the terms and conditions of the acquisition of 99.94% of the share capital of 2i Rete Gas S.p.A. The contractual consideration for the purchase amounts to 2,060 million euros for 100% of the share capital of 2i Rete Gas, in addition to interest accrued on the offered price by the Locked Box Date (i.e., December 31, 2023) at the closing date with an interest rate indicated in the contract (the so-called ticking fee), deducted by any leakages and interest accrued on them from the date on which the leakages occurred until the closing date.

The completion of the acquisition of 2i Rete Gas is subject to the fulfilment (or the waiver, if possible) of certain conditions precedent. According to the relevant contract, the completion of the acquisition of 2i Rete Gas is

subject to the fulfillment (or waiver, where provided in the Purchase agreement) by May 31, 2025 (expiry date or Longstop date) of regulatory authorisations, such as those to be obtained from the Italian Antitrust and the Italian Prime Minister's Office, as well as the Foreign Subsidies Regulation (FSR) authorization provided for under Regulation (EU) 2022/2560..

Risks

Risks concerning compensation and litigation (215,996 thousand euro) relate to possible claims for compensation arising from ongoing litigation, with a low probability that the pertinent economic risk will arise.

FINANCIAL RISK MANAGEMENT

There follows a description of Italgas' policies and principles for the management and control of the risks arising from the financial instruments. In accordance with IFRS 7 - "Financial instruments: Additional information", there are also descriptions of the nature and size of the risks resulting from such instruments.

Interest rate risk

Fluctuations in interest rates affect the market value of Italgas' financial assets and liabilities and its net financial expense.

An increase in interest rates, not implemented – in full or in part – in the regulatory WACC, could have negative effects on the assets and on the economic and financial situation of the Italgas Group for the variable component of the debt in place and for future loans.

At full performance, Italgas aims to maintain a debt ratio between a fixed rate and floating rate to minimise the risk of rising interest rates. As at 31 March 2025 the financial debt at floating rate was 22.4% and at fixed rate was 77.6%. Please refer to the paragraph "Current and non-current financial liabilities" for further details.

Credit risk

Credit risk is the exposure to potential losses arising from counterparties failing to fulfil their obligations. Default or delayed payment of amounts owed may have a negative impact on the Italgas financial results and financial situation.

The rules for customer access to the gas distribution service in Italy are established by the relevant regulatory Authority and set out in the Network Codes, namely, in documents that establish, for each type of service, the rules regulating the rights and obligations of the parties involved in the process of providing said services and contain contractual conditions that reduce the risk of non-compliance by customers, such as the provision of bank or insurance guarantees on first request.

In addition to this, in order to manage credit risk, the Group has established procedures for monitoring and assessing its customer portfolio. The reference markets are the Italian and Greek markets.

In the energy efficiency sector activities, credit risk is mitigated by the use of incentive instruments (mainly the Superbonus) – the latter in any case being influenced by the risk of managing the obligations that allow for the tax recognition of the credits – which guarantee the financial hedging of significant portions of the amounts of the interventions. In this context, the contracts entered into by the Group provide for clauses that guarantee the possibility of recourse against customers in the event that the incentive cannot be obtained/withdrawn. Recourse against customers, however, implies continued exposure to credit risk.

As of 31 March 2025 there were no significant credit risks. Note that on average: (i) in Italy, 98.7% of trade receivables relating to gas distribution are settled by the due date and 99.7% within the next 4 days; (ii) in Greece, an average of 97.8% of trade receivables relating to gas distribution are settled by the due date and almost all within the next 4 days, confirming the strong reliability of the customers.

It cannot be ruled out that Italgas could incur liabilities and/or losses due to its customers' failure to fulfil their payment obligations.

Liquidity risk

Liquidity risk is the risk that new financial resources may not be available (funding liquidity risk) or that the company may be unable to convert assets into cash on the market (asset liquidity risk), meaning that it cannot meet its payment commitments. This may affect profit or loss should the company incur extra costs to meet its commitments or, in extreme cases, lead to insolvency and threaten the company's future as a going concern.

Also on the basis of the investment plans in place and the transactions contemplated in the short term, Italgas does not expect any significant negative impact on liquidity risk considering that: (i) the Company has liquidity deposited with primary credit institutions for an amount of 2,577.9 million euro as at 31 March 2025, and (ii) at 31 March 2025 Italgas had a Euro Medium Term Notes (EMTN) programme in place for a maximum total nominal value of 10 billion euro, of which 6.6 billion euro drawn, (iii) on 8 March 2024, Italgas entered into a 600 million euro Sustainability Linked Revolving Credit Facility with a pool of leading financial institutions with a maximum maturity of 5 years.

Italgas aims, in financial terms, at establishing a financial structure that, in line with its business objectives, ensures a level adequate for the group in terms of the duration and composition of the debt. The achievement of this financial structure will take place through the monitoring of certain key parameters, such as the ratio between debt and the RAB, the ratio between short-term and medium-/long-term debt, the ratio between fixed rate and floating rate debt and the ratio between bank credit granted and bank credit used.

Although the Italgas Group has relationships with diversified counterparties with a high credit standing, based on a policy of managing and continuously monitoring their active credit risk, the default of an active counterparty or the difficulty of selling off assets on the market could have a negative impact on the Italgas Group's financial position and performance.

Future payments for financial liabilities, trade and other payables

The table below shows the repayment plan contractually established in relation to the financial payables, liabilities for leased assets and IFRIC12, including interest payments, trade and other payables:

(€ thousand)	Balance as of 31.12.2024	Balance as of 31.03.2025	31.03.2026	31.03.2027	31.03.2028	31.03.2029	31.03.2030	Beyond
Financial liabilities								
Bank loans	983,391	990,143	77,331	78,205	203,242	79,790	80,880	470,695
Notes	5,818,260	6,780,679	535,702	748,270	497,036	1,739,621	626,003	2,634,047
Current liabilities	250,334	1,248,101	1,248,101					
Interest on notes			122,305	121,055	121,055	108,830	108,830	107,155
Interest on bank loans			26,820	28,457	24,572	18,813	16,431	58,670
Lease liabilities (IFRS 16 and IFRIC 12)	90,483	89,096	45,317	13,710	9,975	6,892	4,311	8,891
Interest of lease liabilities (IFRS 16 and IFRIC 12)			375	7	8	5	3	4
Other shareholders loans	43,400	42,345	42,345					
Trade and other payables	1,184,609	1,194,778	1,194,778					
	8,370,477	10,345,142	3,293,074	989,704	855,888	1,953,951	836,458	3,279,462

As for the sensitivity on the interest rate, any changes in interest rates do not lead to significant effects in consideration of the fact that 77.6% of the Group's financial debt is at fixed rate.

Rating risk

Among the factors that define the risk perceived by the market, creditworthiness, assigned to Italgas by rating agencies, plays a decisive role since it influences the ability to access sources of financing and the related economic conditions. A worsening of this creditworthiness could, therefore, limit access to the capital market

and/or increase the cost of financing sources, with consequent negative effects on the Group's financial position and performance.

On 9 October 2024, the rating agency Fitch confirmed the long-term credit rating of Italgas S.p.A as BBB+, with Stable outlook.

On 10 October 2024, the rating agency Moody's confirmed the Baa2 long-term credit rating, with Stable outlook.

Based on the methodologies adopted by the rating agencies, the downgrade of one notch in the Italian Republic's current rating could trigger a downward adjustment in Italgas' current rating, which in turn could have an impact on the cost of future debt.

Debt covenant and default risk

As of 31 March 2025 there are no loan agreements containing financial covenants and / or secured by collateral, with the exception of the EIB loan signed by Toscana Energia which provides for compliance with certain financial covenants³. Some of these contracts provide, inter alia, for the following: (i) negative pledge undertakings, pursuant to which Italgas and the subsidiaries are subject to limitations regarding the creation of real rights of guarantee or other restrictions concerning all or part of the respective assets, shares or goods; (ii) pari passu and change of control clauses; (iii) limitations on some extraordinary transactions that the company and its subsidiaries may carry out. These commitments have been fulfilled as of the most recent date specified in the agreement.

Notes issued by Italgas as at 31 March 2025 as part of the Euro Medium Term Notes programme provide for compliance with covenants that reflect international market practices regarding, inter alia, negative pledge and pari passu clauses.

Failure to comply with the commitments established for these loans - in some cases only when this non-compliance is not remedied within a set time period - and the occurrence of other events, such as cross-default events, some of which are subject to specific threshold values, may result in Italgas to Toscana Energia failure to comply and could trigger the early repayment of the related loan.

With reference to the EIB, the related contracts contain a clause whereby, in the event of a significant loss of concessions, there is a disclosure obligation to the EIB and a subsequent consultation period, after which the early repayment of the loan may be required.

The Group monitors these information closely in the context of financial management and business performance.

Market value of financial instruments

Below is the classification of financial assets and liabilities measured at fair value in the Statement of Financial Position in accordance with the fair value hierarchy defined on the basis of the significance of the inputs used in the measurement process. More specifically, in accordance with the characteristics of the inputs used for measurement, the fair value hierarchy comprises the following levels:

- a) level 1: listed prices (unadjusted) on active markets for identical financial assets or liabilities;
- b) level 2: measurements made on the basis of inputs differing from the quoted prices referred to in the previous point, which, for the assets/liabilities submitted for measurement, are directly (prices) or indirectly (price derivatives) observable;
- c) level 3: inputs not based on observable market data.

In connection with the above, classification of the assets and liabilities measured at fair value in the Interim Condensed Consolidated Statement of Financial Position according to fair value concerned the IRS and exchange rate derivative instruments (16,389 thousand euro as of 31 March 2025 and 16,860 thousand euro as of 31 December 2024) classified level 2 and recorded in "Other current and non-current financial assets/liabilities".

³ The contracts contain a clause whereby, in the event of a significant reduction in EBITDA resulting from the loss of concessions, there is a disclosure obligation to the EIB and a subsequent consultation period, after which the early repayment of the loan may be required. The economic and financial parameters as at 31 December 2024 have been respected

Equity investments measured at fair value recorded in “Non-current financial assets” (21,441 thousand euro as of 31 march 2025 and 20,359 thousand euro as of 31 December 2024) increased for 1,082 thousand euro. The change in value includes the acquisition of additional stakes in Picarro (325 thousand euro), the positive effect on the income statement regarding the valuation of Reti Distribuzione (39 thousand euro) and the effect on OCI of the valuation of Picarro (718 thousand euro) and fall under the level 3 fair value category.

Other information on financial instruments

With reference to the categories established by IFRS 9 “Financial instruments”, the carrying amount of financial instruments and their relative effects on results and on equity can be analysed as follows:

(€ thousand)	Carrying amount		Income / expense recognised to income statement		Income / expense recognised to shareholders' equity (a)	
	Balance as of 31.12.2024	Balance as of 31.03.2025	Balance as of 31.12.2024	Balance as of 31.03.2025	Balance as of 31.12.2024	Balance as of 31.03.2025
Financial instruments measured at amortised cost						
- Cash	402,662	2,573,196				
- Current financial assets	3,592	4,968				
- Trade and other receivables	893,667	971,146				
- Non-current financial assets	10,982	320,321				
- Other current and non-current non-financial assets	863,306	812,912				
- Trade and other payables	1,184,609	1,194,778				
- Financial payables (b)	7,185,868	9,150,364	(122,362)	(35,251)		
- Other current and non-current non-financial liabilities	581,048	601,669				
- Financial instruments measured at fair value						
- Other investments	20,359	21,441			468	1,042
- Financial assets (liabilities) for hedge derivative contracts	16,775	16,315			15,163	14,733

(a) Net of tax effect

(b) The effects on income statement are recognised under the item “Financial income /(Charges)”

Disputes and other measures

Italgas is involved in civil, administrative and criminal cases and legal actions related to its normal business activities. According to the information currently available and considering the existing risks, Italgas believes that these proceedings and actions will not have material adverse effects on its Interim Consolidated Financial Statements.

Below is a summary of the most significant proceedings; no provisions have been made pursuant to IAS 37 for these proceedings in the financial statements, as the company deems that the risk of an adverse outcome is possible, but not likely, or the amount of the allocation cannot be reliably estimated.

Civil dispute

Italgas Reti S.p.A. / Municipality of Rome – Rome Civil Court

The Municipality of Rome, where Italgas Reti carries out the gas distribution service on the basis of a specific service contract, after a series of discussions aiming at reaching an agreement for the adjustment of timetable for the implementation of the business plan, charged Italgas Reti with contractual breaches given by alleged delays in the execution of the plan itself. In rejecting the claims of the Municipality of Rome, Italgas Reti had already filed an appeal with the Lazio Regional Administrative Court on 11 January 2019 for cancellation of the notice with which the Municipality of Rome had starting the procedure to apply default penalties. Subsequently, on 19 December 2019, the Municipality of Rome notified Italgas Reti of a managerial resolution in which it quantified the amount allegedly owed by Italgas Reti by way of penalty for the alleged failure to timely implement the Business Plan at 91,853,392.79 euro, and reserved the right to enforce the bank guarantee issued to guarantee the proper performance of the aforesaid contract. On 20 January 2020, Italgas Reti contested the aforementioned managerial resolution at the Lazio Regional Administrative Court and submitted, as a precautionary measure, a petition to suspend the effect of the measure, disputing, among other things, (i) the invalidity due to vagueness of the penalty clause, (ii) non-existence and/or in any case non-

chargeability of Italgas Reti for the breaches challenged by the Municipality of Rome, (iii) waiver by the Municipality to promptly apply the penalty clause, (iv) violation of the procedure to apply the penalty clause.

The Regional Administrative Court of Lazio, however, expressed some doubts as to the applicability of its jurisdiction. In light of these circumstances, the lodging of an appeal before the Court of Cassation was proposed for the prior settlement of jurisdiction.

During the chamber proceedings of 22 April 2020, the Regional Administrative Court with Order no. 4140/2020 acknowledged the proposal for prior settlement of jurisdiction and suspended the proceedings and, considering itself to be without jurisdiction, declared the precautionary application inadmissible. On 13 May 2020, Italgas Reti challenged this order before the Council of State, which upheld the precautionary appeal filed by Italgas Reti, suspending the effectiveness of the first instance order until the definition of the merits.

On 12 January 2021, following the aforesaid jurisdictional ruling, the Court of Cassation declared the Jurisdiction of the Ordinary Court. Therefore, on 11 February 2021, Italgas Reti resumed the proceedings before the Civil Court of Rome.

In addition, on 5 June 2020, Italgas Reti lodged an appeal with the Regional Administrative Court of Lazio, by which it requested that the Municipality of Rome be ordered to pay Italgas Reti compensation of the total amount of 106,290,396.25 euro resulting from the failure of the Municipality of Rome to comply with the concession contract. Subsequently, consistent with the previous judgement, the Regional Administrative Court reaffirmed the jurisdiction of the Ordinary Court and Italgas Reti resumed the judgement before the Ordinary Court of Rome, asking for a joining with the judgement concerning the penalties applied by Municipality of Rome. The evidentiary hearing for both court cases, which have been combined, has been set for 11 July 2023. Following the hearing, the judge ordered an Expert's Report (CTU) to be carried out in the course of 2024. At the hearing on 11 December 2024, the judge invited the parties to come to a settlement on the dispute, adjourned – in the absence of a settlement – the hearing to 1 July 2025 for the same issues and for a possible settlement of the dispute.

Lastly, it should also be noted that on 17 November 2021, Italgas Reti obtained an order from the Court of Rome suspending the effects of the penalty quantification measure and preventing the Municipality of Rome from enforcing the surety given in relation to the penalty payment claims.

Also on the basis of an external legal opinion, the Company, at present, does not believe that the risk of losing the dispute it's more likely than not.

Municipality of Venice / Italgas Reti S.p.A. – Court of Venice

On 24 April 2019, the Municipality of Venice served, at the Court of Venice, a writ of summons, aimed at the verification and consequent payment by Italgas Reti of 59,006,552.03 euro as a consideration for use of the portion of the network subject to free acquisition for the period between 1 June 2010 and 31 December 2018 as well as the sums due for the same reason for the period after 31 December 2018 and until the final judgement.

Italgas Reti disputed the payment request brought by the Municipality, requesting the rejection of the claims on the basis of the fact that: a) the Municipality had received the network as a free transfer, thus without any financial outlay to be remunerated; b) no legislative reference exists that makes it possible to tie the determination of the fee for use of the network to the tariffs defined by ARERA; c) the fee for use of the assets of the so-called Block A had been included in the fee agreed with a later additional deed. In the alternative, Italgas Reti requested: a) the redetermination of the "appropriate" fee that Italgas Reti would have to pay to the Municipality in the period between 1 January 2013 and 31 December 2018 since, as a result of the Letta Decree, the concession had expired by law on 31 December 2012; b) that the Municipality be ordered to return the amount paid by Italgas Reti in the period between 1 January 2013 and 31 December 2018 but not due to the Municipality (as the difference between the fee paid and the sum of the fees due), namely both the concession fee as well as that related to the use of Block A, as redetermined by the judge.

Having carried out the introductory procedural steps, by order of 26 April 2021, the judge ordered Italgas Reti to produce relevant documentation and consequently scheduled the hearing for 31 May 2022 for examination of the documentation. On 31 May 2022, the Municipality requested that Italgas Reti be ordered to supplement the documentation produced. Italgas Reti opposed the request for supplementation formulated by the Municipality and requested, principally, the postponement of the case for the clarification of the conclusions or, alternatively, the granting of a time limit to possibly counter-respond. At the outcome of the hearing, the Judge requested additional documentation and adjourned the hearing to 17 January 2023. On the date of this document, the Municipality insisted on the admission of a technical expert's report, while Italgas Reti requested that the hearing for clarification of the conclusions be postponed.

At this stage, the judge decided to order an Expert's Report (CTU). At the Date of the Registration Document, the expert's operations had begun. The next hearing, for examination of the CTU, is set first for 24 April 2025 and then, at the request of the CTU, adjourned to 10 July 2025.

Supported by a technical and economic appraisal issued by an expert and on the basis of an external legal opinion, the Company does not believe that the risk of losing the dispute it's more likely than not.

Municipality of Cavallino Treporti / Italgas Reti S.p.A. – Court of Cassation

Following the judgement of the Council of State on the acquisition, free of charge, of the assets included in Block A, the Municipality of Cavallino-Treporti brought a civil proceeding before the Court of Venice in order to recover the sums that it deemed due for the use by Italgas Reti of the Block A assets. The first hearing, set for 17 December 2020, was adjourned to 1 April 2021 and, lastly, until 22 April 2021 for the admission of evidence in support of the respective defence arguments, and subsequently until 13 January 2022 for the final hearing. With judgement delivered on 27 June 2022, the Court of Venice rejected the case of the Municipality of Cavallino-Treporti.

The Municipality of Cavallino-Treporti filed an appeal before the Court of Appeals of Venice. With judgement of 22 April 2024, the Court of Appeals of Venice, albeit raising several doubts on the jurisdiction, rejected the appeal of the Municipality of Cavallino-Treporti.

The Municipality of Cavallino-Treporti then lodged a Court of Cassation appeal against the judgement of the Court of Appeals of Venice, Italgas Reti filed an appearance and, at this stage, a date for the hearing is currently pending. The amount of the claim is 4,699,129.00 euro.

Italgas manages the public natural gas distribution service in the aforementioned Municipality under the terms of the same concession agreements in place with the Municipality of Venice. This is due to the fact that the Municipality of Cavallino-Treporti was established in 1999 as a spin-off portion of the geographic area already falling within the Municipality of Venice.

Supported by an external legal opinion, the Company does not, at present, believe that the risk of losing the dispute it's more likely than not.

Publiservizi S.p.A. / Italgas S.p.A. – Court of Florence

On 25 July 2019, a writ of summons was served on the Issuer by Publiservizi, on its own behalf and as agent of other Municipalities with stakes in Toscana Energia, which claimed the alleged violation of a shareholders' agreement signed on 28 June 2018 between Italgas S.p.A. and Publiservizi, thus requesting that Italgas be ordered to acquire a 3% stake in Toscana Energia S.p.A. (for the price of 70,000,000.00 euro indicated in the tender notice of 20 July 2018) or, in any case, to fulfil the aforementioned shareholders' agreement and, in the alternative, to pay Publiservizi an amount of 59,800,000.00 euro by way of compensation for damages for breach or, alternatively, by way of enrichment without just cause.

Following the exchange of introductory documents, by order of 30 April 2021, the Judge ruled that the case could be settled at that stage and therefore scheduled the hearing for specification of the pleadings for 13 September 2023. With judgement delivered on 11 June 2024, the Court of Florence fully rejected the requests of the writ of summons of Publiservizi. On 13 January 2025, Publiservizi (now Alia) lodged an appeal before the Court of Appeals of Florence against the judgement of the Court of Florence of 11 June 2024 and the next hearing, before the same Court of Appeal, is set for 12 September 2025.

Criminal dispute

The main criminal disputes in which the Group is involved are set out below.

Italgas Reti S.p.A. – Ravanusa Event

The Public Prosecutor's Office at the Court of Agrigento opened an investigation into an explosion that occurred in the town of Ravanusa on 11 December 2021. The event caused a total of 9 victims and the collapse of and damage to several buildings. On 31 December 2021, the Public Prosecutor's Office at the Court of Agrigento served a notice of indictment on ten Italgas Reti employees, to allow for the execution of technical assessments that could not be repeated in joint consultation.

These assessments found the rupture of the steel pipe laid along Via Trilussa in 1988 by Siciliana Gas S.p.A. (company subject to a merger by incorporation into Società Italiana per il gas S.p.A. in 2008, which in turn became Italgas Reti on 7 November 2016). In addition, further laboratory investigations were carried out on

odourising gas and soil samples taken near the site of the event in the days following the explosion and the presence of the odourising molecule was confirmed.

An extension of the preliminary investigation was requested and granted in July 2022, and a subsequent extension request for a further six months was notified in February 2023.

On 16 May 2023, the Public Prosecutor's Office requested the dismissal of the proceedings against all Italgas Reti's defendants, while it issued a notice of conclusion of the preliminary investigation pursuant to Article 415-bis of the Italian Code of Criminal Procedure against individuals of Siciliana Gas S.p.A and the company that had laid the pipeline. It should be noted that the natural person of Siciliana Gas S.p.A. involved in the proceeding did not transfer to Italgas Reti as part of the aforementioned merger by incorporation of Siciliana Gas S.p.A. into Società Italiana per il gas S.p.A.

Following the opposition to the request for dismissal filed by the injured parties, hearings were held before the Court of Preliminary Investigations on 17 October 2023, 5 December 2023, 27 February 2024, 30 April 2024 and 31 May 2024.

Following the hearings, the judge for preliminary investigations ordered further investigations, specifically aimed at studying the inspection and maintenance activities on the network, assigning the Public Prosecutor's Office a term of six months to complete them. The resulting determinations of the Public Prosecutor's Office are pending. On 31 May 2024, the judge for preliminary investigations also ordered the committal for trial of the representatives of Siciliana Gas S.p.A. and of the construction company.

In this proceeding, Italgas Reti appeared as the "civilly liable" party (i.e. the party assuming civil liability on behalf of the representative of Siciliana Gas S.p.A., subsequently merged into Italgas Reti) in the context of the claim opened with the insurance companies for the orderly handling of the claims under the third-party liability policy. At the trial hearing on 12 December 2024, the defence of the Siciliana Gas representative requested an abbreviated trial subject to the expert examination, on which the judge reserved his decision, adjourning the hearing to 20 February 2025.

At the hearing on 20 February 2025, the court rejected the two defendants' request for a summary trial. The next witness hearings will take place on 17 April, 15 May, 12 June and 10 July 2025.

Italgas Reti, after having granted its willingness to the Municipality of Ravanusa to carry out a project for the removal of the rubble resulting from the explosion, completed the work in 2023.

Informative priorities ESMA 2025

Climate-related risks and impairment

The Group, through ERM, monitors risks related to climate-change issues, which are divided into physical risks, directly due to weather-climate variations, and transition risks, linked to society's socio-economic reaction to climate change.

The identified physical risks are the increased frequency of extreme natural events in the areas where Italgas operates and the rise in average temperatures in the same areas. Italgas constantly monitors the integrity of its infrastructure and adopts new technologies to reduce environmental impact, identify critical issues in advance, and avoid negative impacts on the service level.

The transition risks, on the other hand, are represented by: (i) changes in the regulatory and legislative context regarding greenhouse gases with the aim of limiting emissions, (ii) technological evolution, (iii) uncertainty about the role of natural gas in the future energy mix. To mitigate these risks, Italgas invests in innovative technologies (Picarro Surveyor, Power to Gas), in transforming the network into a digital infrastructure ready for the distribution of gases other than methane (such as hydrogen, biomethane, and e-gas), and in projects in the water and energy efficiency sectors. Additionally, Italgas pursues specific objectives for reducing greenhouse gas emissions, also through energy efficiency projects.

The rise in temperatures and transition risks could have, among other things, a negative impact on the number of active delivery points served and on revenues for the component related to covering operating costs. However, this risk is mitigated by Resolution 570/19 and Determination 4/2023, with which ARERA introduces a revenue adjustment mechanism aimed at compensating for the consequences of the reduction in delivery points in individual locations.

Finally, with reference to the risk related to gas demand, it is noted that under the tariff system currently applied to natural gas distribution services, revenue hedging mechanisms are envisaged. Finally, with reference to the risk related to gas demand, it is noted that under the tariff system currently applied to natural gas distribution services, revenue hedging mechanisms are envisaged.

For these reasons, it is believed that, also considering the specific business and sectors in which it operates, the Group currently has limited exposure to the impacts that possible climate risks could have on the valuation of non-current assets and other assets, including receivables, recorded in the financial statements.

Similarly, due to the systematic monitoring of its assets and the areas on which they are located, the Italgas Group is able to identify in advance possible situations that could generate the emergence of potential liabilities related to climate risks.

International Tax Reform – Pillar Two Model Rules

Legislative Decree no. 209 of 27 December 2023, transposing Council Directive (EU) no. 2022/2523 on “Global Minimum Tax” (also known as “Pillar Two”), introduced a reference regulation in Italy to guarantee a minimum level of taxation for multinational and national groups of businesses, applicable from 1 January 2024. Council Directive (EU) no. 2022/2523 was also adopted in Greece with Law 5100/2024.

The new provisions apply to undertakings operating in Italy and Greece belonging to multinational or national groups with consolidated annual revenues of 750 million euro or higher, calculated as an average in at least two of the four financial years immediately prior to the reporting year. The objective of the legislation is to ensure that such undertakings are subject to an effective minimum tax rate of 15%, with possible tax supplements required in jurisdictions that do not reach this level.

The regulation in question applies to Italgas S.p.A. and its subsidiaries since they form part of the CDP Group. Cassa Depositi e Prestiti S.p.A., as ultimate parent entity (“UPE”), is responsible for carrying out the minimum tax calculations based on the data provided by the subsidiaries.

The calculations for Italgas and its subsidiaries were completed with regard to the 2024 tax year, and no liabilities for additional tax assessments have emerged.

17) Revenues and other income

The breakdown of total revenues and other income is shown in the following table:

(€ thousand)	For the three months ended 31 March 2024	For the three months ended 31 March 2025
Revenues	570,849	643,747
Other income	16,224	17,848
	587,073	661,595

Group revenues are generated in Italy and Greece.

An analysis of revenue by operating segment is provided in Note “Information by operating segment”.

Revenues from related parties are described in Note “Related party transactions”.

Revenues

Revenues, amounting to 643,747 thousand euro (570,849 thousand euro for the three months ended 31 March 2024), are analysed in the table below:

(€ thousand)	For the three months ended 31 March 2024	For the three months ended 31 March 2025
Gas distribution	387,626	454,747
Revenues for infrastructure construction and improvements (IFRIC 12)	146,804	136,246
Technical assistance, engineering, IT and various services	11,988	12,438
Energy efficiency interventions and other ESCo revenues	8,703	14,800
Integrated water service	12,252	20,175
Sale of other products	3,476	5,341
	570,849	643,747

Revenues from gas distribution increased by 67,121 thousand euros compared to the three months ended 31 March 2024, despite the reduction in WACC (-12,888 thousand euros, as a result of Resolution no. 513/2024/R/com). The Revenues from gas distribution increase was mainly due to the increase in RAB (+4,598

thousand euros), the compensation for the higher unit costs recognised for the period 2020-2024 and its impact on the first quarter of 2025 (equal to +54,384 thousand euros and +3,775 thousand euros, respectively, in application of Resolution n. 87/2025/R/gas), and from the increased compensation due to the revaluation of capital costs (+8,150 thousand euros in compliance with Resolution n. 130/2025/R/com).

Other income

Other income, amounting to 17,848 thousand euro for the three months ended 31 March 2025 (16,224 thousand euro for the three months ended 31 March 2024), can be broken down as follows:

(€ thousand)	For the three months ended 31 March 2024	For the three months ended 31 March 2025
Income from gas distribution service safety recovery incentives	6,618	6,801
Plant safety assessment pursuant to ARERA Resolution no. 40/04	395	390
Other income from regulated activities	2,041	2,209
Release of connection contributions relating to the period	4,697	4,593
Sundry management refunds and chargebacks	400	486
Contractual penalties receivable	-	498
Income from real estate investments	87	79
Revenues from seconded personnel	215	309
Works on behalf of the Campania Region	-	12
Sundry other	1,771	2,471
	16,224	17,848

18) Total costs and other expenses

The breakdown of Total costs and other expenses, amounting to 258,442 thousand euro for the three months ended 31 March 2025 (262,365 thousand euro for the three months ended 31 March 2024), is shown in the following:

(€ thousand)	For the three months ended 31 March 2024	For the three months ended 31 March 2025
Costs for raw materials, consumables, supplies and goods	26,319	22,797
Costs for services	127,611	130,579
Lease expenses	23,814	25,644
Personnel costs	69,837	71,982
Other expenses	15,982	10,000
<i>To be deducted:</i>		
Increases for own work	(1,198)	(2,560)
- of which costs for services	(524)	(1,516)
- of which labour costs	(674)	(1,044)
	262,365	258,442

Costs for raw materials, consumables, supplies and goods, amounting to 22,797 thousand euro for the three months ended 31 March 2025 (26,319 thousand euro for the three months ended 31 March 2024), comprise the following:

(€ thousand)	For the three months ended 31 March 2024	For the three months ended 31 March 2025
Inventories	23,899	19,372
Purchase of gas	1,218	1,874
Purchase of water	9	62
Motive power and water lifting	238	299
Purchase of fuel	955	1,190
	26,319	22,797

Inventories mainly refer to the acquisition of meters and gas pipes.

Costs for raw materials, consumables, supplies and goods include costs relating to the construction and upgrading of gas distribution and water service infrastructure amounting to 14,744 thousand euro for the three months ended 31 March 2025 (21,188 thousand euro for the three months ended 31 March 2024), recorded in accordance with IFRIC 12.

Costs for services of 129,063 thousand euro for the three months ended 31 March 2025 (127,087 thousand euro for the three months ended 31 March 2024) relate to the following:

(€ thousand)	For the three months ended 31 March 2024	For the three months ended 31 March 2025
Project management and plant maintenance	84,437	82,766
Consultancy and professional services	10,731	11,594
Costs for personnel services	4,643	4,537
IT and telecommunications services	10,852	10,548
Electricity, water and other (utility) services	4,267	9,013
Insurance	1,774	1,612
Cleaning, security service and guard services	989	1,200
Advertising and entertainment	1,187	994
Costs for seconded personnel	211	345
Works performed on behalf of the Campania Region	1,044	2,236
Other services	9,721	7,613
Use of risk provision	(2,245)	(1,879)
Costs for services, before deductions for increases for own work services	127,611	130,579
<i>To be deducted:</i>		
Increases for own work	(524)	(1,516)
	127,087	129,063

Costs for services include costs relating to the construction and upgrading of gas distribution and water distribution infrastructure amounting to 82,637 thousand euro for the three months ended 31 March 2025 (94,170 thousand euro for the three months ended 31 March 2024) recognised pursuant to IFRIC 12.

Costs for project management and plant maintenance planning (82,766 thousand euro for the three months ended 31 March 2025 and 84,437 thousand euro for the three months ended 31 March 2024) mainly relate to the extension and maintenance of gas distribution plants, as well as work carried out on buildings for energy efficiency purposes. The reduction of 1,671 thousand euro is mainly due to the progressive conclusion of "Superbonus" works (DL no. 34/2020, also known as the "Relaunch Decree").

Lease expenses, of 25,644 thousand euro for the three months ended 31 March 2025 (23,814 thousand euro for the three months ended 31 March 2024), relate to the following:

(€ thousand)	For the three months ended 31 March 2024	For the three months ended 31 March 2025
Patent, license and concession fees	20,787	21,432
Leases and rentals	3,027	4,212
	23,814	25,644

Fees, patents and licences (21,432 thousand euro for the three months ended 31 March 2025 and 20,787 thousand euro for the three months ended 31 March 2024) refer primarily to fees recognised to contracting parties for the running of natural gas distribution activities under concession.

Lease expenses include costs relating to the construction and upgrading of gas distribution infrastructure amounting to 3,823 thousand euro for the three months ended 31 March 2025 (2,904 thousand euro for the three months ended 31 March 2024) recognised in accordance with IFRIC 12.

Personnel costs, totalling 70,938 thousand euro for the three months ended 31 March 2025 (69,163 thousand euro for the three months ended 31 March 2024), breaks down as follows:

(€ thousand)	For the three months ended 31 March 2024	For the three months ended 31 March 2025
Wages and salaries	50,476	52,204
Social charges	14,545	15,058
Employee benefits	3,735	3,872
Sundry other	1,081	848
Personnel costs, before deductions for increases for own work	69,837	71,982
<i>To be deducted:</i>		
Increases for own work	(674)	(1,044)
	69,163	70,938

The item includes costs relating to the construction and upgrading of gas distribution infrastructure amounting to 31,471 thousand euro for the three months ended 31 March 2025 (27,951 thousand euro for the three months ended 31 March 2024) recognised pursuant to IFRIC 12.

Employee benefits (15,058 thousand euro for the three months ended 31 March 2025 and 14,545 thousand euro for the three months ended 31 March 2024) mainly regard the employee severance pay accrued, to be paid to pension funds or to INPS.

Other expenses of 848 thousand euro for the three months ended 31 March 2025 (1,081 thousand euro for the three months ended 31 March 2024), in particular refer to charges for the incentive plan for senior executives (co-investment plan).

For Stock Grant plans for Company employees, the fair value of the option, determined at the time it is granted (calculated on the basis of the “Black-Scholes” economic and actuarial method) is posted to the income statement as a cost throughout the vesting period, with a corresponding balancing item in a reserve under equity.

Other expenses, 10,000 thousand euro for the three months ended 31 March 2025 (15,982 thousand euro for the three months ended 31 March 2024), are analysed below:

(€ thousand)	For the three months ended 31 March 2024	For the three months ended 31 March 2025
Other penalties	770	2,966
Indirect taxes, local taxes	1,522	1,474
Allocations to/releases from provision for risks and charges	2,120	(1,327)
Capital losses from disposal/recovery of property, plant and equipment and intangible assets	9,189	4,542
Sundry other	2,381	2,345
	15,982	10,000

Other penalties for 2,966 thousand euro for the three months ended 31 March 2025 (770 thousand euro for the three months ended 31 March 2024) mainly refer to the gas distribution sector.

Net release from provisions for risks and charges totalled 1,327 thousand euro for the three months ended 31 March 2025 (net allocation to risks and charges for 2,120 thousand euro for the three months ended 31 March 2024).

The capital losses from the disposal/recovery of property, plant and equipment and intangible assets (4,542 thousand euro for the three months ended 31 March 2025 and 9,189 thousand euro for the three months ended 31 March 2024) mainly relate to the replacement of meters, as well as pipes and connections.

Total costs and other expenses relating to the construction and upgrading of gas distribution and water service infrastructure connected with concession agreements pursuant to what is set forth in IFRIC 12, amount to 136,246 thousand euro for the three months ended 31 March 2025 (146,803 thousand euro for the three months ended 31 March 2024) and are broken down as follows:

(€ thousand)	For the three months ended 31 March 2024	For the three months ended 31 March 2025
Costs for raw materials, consumables, supplies and goods	21,188	14,744
Costs for services	94,170	82,637
Lease expenses	2,904	3,823
Personnel costs	27,951	31,471
Other operating expenses	590	3,571
	146,803	136,246

19) Amortisation, depreciation and impairment of assets

Amortisation, depreciation and impairment of assets, totalling 123,382 thousand euro for the three months ended 31 March 2025 (131,969 thousand euro for the three months ended 31 March 2024), breaks down as follows:

(€ thousand)	For the three months ended 31 March 2024	For the three months ended 31 March 2025
Amortisation and depreciation	137,852	124,680
- Property, plant and equipment	4,712	5,216
- Right of use pursuant to IFRS 16	11,558	7,970
- Intangible assets	121,582	111,494
Impairment	(5,883)	(1,298)
- Use of provision	(5,883)	(1,298)
	131,969	123,382

Impairment of asset, amounting to a net use of 1,298 thousand euro for the three months ended 31 March 2025 (a net impairment of 5,883 thousand euro for the three months ended 31 March 2024) refers to the use of provision for impairment losses related to faulty gas smart meters.

20) Net financial expense

Net financial expense, amounting to 34,800 thousand euro for the three months ended 31 March 2025 (26,025 thousand euro for the three months ended 31 March 2024), comprises:

(€ thousand)	For the three months ended 31 March 2024	For the three months ended 31 March 2025
Net financial expense	(26,568)	(35,251)
Financial expense	(30,801)	(39,180)
Financial income	4,233	3,929
Total financial income (expense)	403	567
Other financial expenses	(2,425)	(2,507)
Other financial income	2,828	3,074
Gain/(loss) on derivatives financial instruments measured at fair value	140	(116)
	(26,025)	(34,800)

21) Income taxes

Income taxes include current taxes of 79,665 thousand euro as of 31 March 2025 (51,719 thousand euro as of 31 March 2024) and net deferred taxes of 11,511 thousand euro as of 31 March 2025 (6,474 thousand euro as of 31 March 2024).

The rates applied and provided for by the Italian tax regulations for current taxes are 24% for IRES and 4.2% for IRAP. The rate applied and provided for by the Greek tax regulations for current taxes is 22%.

22) Earnings per share

The *earnings per basic share*, equal to 0.21 euro for the three months ended 31 March 2025 (0.14 euro for the three months ended 31 March 2024), was calculated by dividing the net profit attributable to Italgas for the three months ended 31 March 2025, equal to 168,765 thousand euro (117,532 thousand euro for the three months ended 31 March 2024), by the number of Italgas shares during the three months ended 31 March 2025, equal to 811,753,913 shares (811,242,309 shares during the three months ended 31 March 2024).

The diluted earnings per share is calculated by dividing the net profit attributable to Italgas for the three months ended 31 March 2025, equal to 168,765 thousand euro (117,532 thousand euro for the three months ended 31 March 2024), by the number of shares during the three months ended 31 March 2025, excluding any treasury shares, increased by the number of shares that could potentially be added to those as a result of the assignment or disposal of treasury shares in the portfolio for stock grant plans. The diluted earnings per share, calculated also considering the co-investment plan, was 0.21 euro per share for the three months ended 31 March 2025 (0.14 euro per share for the three months ended 31 March 2024).

23) Information by operating segment

In accordance with IFRS 8 "Operating Segments", the Group's identified segments as of 31 March 2025 are as follows:

- Gas distribution;
- Water service;
- Energy efficiency;
- Corporate.

The Gas Distribution operating segment aggregates the activities carried out in Italy and Greece.

Operating result is the key profit measure used by Group Management to assess performance and allocate resources to the Group's operating segments, as well as to analyse operating trends, perform analytical comparisons and benchmark performance between periods and among the segments. Operating result is defined as profit or loss before income taxes plus net financial expenses and net income from equity investments.

Investments in property, plant and equipment and Investments in intangible assets are the key measure used by the Group Management to allocate resources to the Group's operating segments.

The following tables summarise selected financial information by segment for the three months ended 31 March 2024 and 31 March 2025.

31 March 2024					
(€ thousand)	Gas distribution	Water service	Energy efficiency	Corporate	Total
Total revenues and other income	565,080	14,076	11,941	22,089	613,186
<i>to be deducted inter-sector other revenues</i>	(4,356)	-	(204)	(21,553)	(26,113)
Total revenues and other income from third parties	560,724	14,076	11,737	536	587,073
Operating result	191,942	985	(545)	357	192,739
Total net financial expense					(26,025)
Total net income from equity investments					3,774
Profit before taxes					170,488
Investments in property, plant and equipment	6,064	78	544	388	7,074
Investments in intangible assets	153,280	428	153	-	153,861
Total investments in property, plant and equipment and intangible assets	159,344	506	697	388	160,935

31 March 2025

(€ thousand)	Gas distribution	Water service	Energy efficiency	Corporate	Total
Total revenues and other income	626,930	24,076	15,095	21,768	687,869
<i>to be deducted inter-sector other revenues</i>	<i>(4,744)</i>	<i>-</i>	<i>(171)</i>	<i>(21,359)</i>	<i>(26,274)</i>
Total revenues and other income from third parties	622,186	24,076	14,924	409	661,595
Operating result	278,072	1,291	1,105	(697)	279,771
Total net financial expense					(34,800)
Total net income from equity investments					2,534
Profit before taxes					247,505
Investments in property, plant and equipment	21,525	877	92	437	22,931
Investments in intangible assets	142,417	317	49	-	142,783
Total investments in property, plant and equipment and intangible assets	163,942	1,194	141	437	165,714

24) Information by geographical area

In accordance with Subsection 33 of IFRS 8, revenues, non-current assets and investments by geographic area are shown below:

(€ thousand)	31 March 2024			31 March 2025		
	Italy	Greece	Non-EU countries	Italy	Greece	Non-EU countries
Revenues	520,545	66,528	-	591,332	69,457	806
Non-current assets	8,899,342	1,181,719		9,075,734	1,272,879	
Investments in tangible and intangible assets	138,741	22,194		141,224	24,490	

25) Related party transactions

Considering the equity investment of CDP S.p.A. in Italgas S.p.A., pursuant to international accounting standard IFRS 10 – Consolidated Financial Statements, Italgas' related parties are represented, as well as by the subsidiaries, associates and joint ventures of Italgas, by the parent company CDP S.p.A. and its subsidiaries, including those under joint control, and associates, as well as by the subsidiaries, including under joint control, and associates of the Ministry of Economy and Finance (MEF), and in any case any other related parties pursuant to IAS 24. Members of the Board of Directors, Statutory Auditors and Key Managers of Italgas and of the companies that, even jointly, control Italgas, as well as their family members and the entities controlled by them, even jointly, are also regarded as related parties.

As explained in detail below, related-party transactions involve the trading of goods and the provision of regulated services in the gas sector. Transactions between Italgas and related parties are part of ordinary business operations and are generally settled at arm's length, i.e. at the conditions that would be applied between two independent parties. All the transactions carried out were in the interest of the companies of the Italgas Group.

Pursuant to the provisions of the applicable legislations, the Company has adopted internal procedures to ensure that transactions carried out by the Company or its subsidiaries with related parties are transparent and correct in their substance and procedure. In particular, Italgas has adopted the compliance standard "Transactions involving the interests of Directors and Statutory Auditors with Related Parties" ("RPT Procedure"), which is available on the company's website. The RPT Procedure defines, among other things, the methods for maintaining and updating the database of Italgas' related parties, the thresholds applicable for related-party transactions of negligible value, of lesser and greater importance, and the procedure for investigating and approving such transactions.

Italgas is not subject to management and coordination activities. Italgas exerts management and coordination activities over its subsidiaries pursuant to Articles 2497 et seq. of the Civil Code.

The amounts involved in commercial, financial and other transactions with the above-mentioned related parties, are shown below. The nature of the most significant transactions is also stated.

With reference in particular to the balances exposed towards the Eni Group and Enel Group, the underlying relations refer to the natural gas distribution service business, according to the terms of the Network Code, defined by the Italian Regulatory Authority for Energy, Networks and Environment (Autorità di Regolazione per Energia Reti e Ambiente, ARERA). The Network Code regulates the non-discriminatory conditions, including tariffs, applicable to all distribution users.

Commercial and other transactions

Commercial and other transactions are analysed below:

(€ thousand)	As of 31 December 2024		For the three months ended 31 March 2024				
	Receivables	Payables	Costs (a)			Revenues (b)	
			Assets	Services	Other	Services	Other
Parent company							
- CDP Group	-	95	-	23	198	-	-
	-	95	-	23	198	-	-
Companies under joint control and associates							
- Umbria Distribuzione Gas	2,972	30	-	(2)	-	159	13
- Metano Sant'Angelo Lodigiano	474	2	-	(2)	-	88	1
- Gesam Reti	81	-	-	-	-	20	2
- Enerpaper	45	290	-	186	-	-	-
- Energie Rete gas	2,007	10,835	-	1,915	462	287	28
	5,579	11,157	-	2,097	462	554	44
State-owned or controlled enterprises							
- Eni Group	177,500	40,716	2,701	290	1,090	200,483	826
- Snam Group	413	376	-	37	-	60	11
- Enel Group	49,177	11,625	-	20	78	55,967	769
- Anas Group	353	1,248	-	1	209	-	-
- Ferrovie dello Stato Group	696	56	-	5	133	66	-
- GSE Gestore Servizi Group	1,073	(678)	-	2	14,005	709	-
- Gruppo Poste Italiane	5	150	-	37	-	-	-
- Leonardo Group	33	115	-	-	-	-	-
- Saipem Group	3	27	-	-	-	-	-
	229,253	53,635	2,701	392	15,515	257,285	1,606
Other related parties							
- Zecca dello Stato	-	12	-	-	-	-	-
- Eur Group	-	4	-	-	2	-	-
- Valvitalia Group	-	488	501	(18)	-	-	-
- CESI - Giacinto Motta	-	22	-	5	-	-	-
- Trevi	-	90	-	-	-	-	-
	-	616	501	(13)	2	-	-
Total	234,832	65,503	3,202	2,499	16,177	257,839	1,650

(a) Include costs for goods and services for investment.

(b) Gross of the regulation components having contra entry in costs.

(€ thousand)	As of 31 March 2025		For the three months ended 31 March 2025				
	Receivables	Payables	Costs (a)			Revenues (b)	
			Assets	Services	Other	Services	Other
Parent company							
- CDP Group	-	120	-	24	4	-	-
	-	120	-	24	4	-	-
Companies under joint control and associates							
- Umbria Distribuzione Gas	3,154	(42)	-	(1)	-	158	20
- Metano Sant'Angelo Lodigiano	454	2	-	(2)	-	82	9
- Gesam Reti	102	-	-	-	-	20	26
- Enerpaper	45	(1)	-	(13)	-	-	-
- Energie Rete gas	2,150	11,743	48	2,120	452	403	49
	5,905	11,702	48	2,104	452	663	104
State-owned or controlled enterprises							
- Eni Group	177,406	46,974	2,887	334	1,456	220,691	826
- Snam Group	326	275	-	46	-	60	(12)
- Enel Group	50,407	12,022	-	-	530	64,410	607
- Anas Group	479	1,125	-	2	247	-	-
- Ferrovie dello Stato Group	569	116	4	-	106	71	-
- GSE Gestore Servizi Group	3,095	(369)	-	11	9,984	668	(36)
- Poste italiane Group	5	84	-	76	-	-	-
- Leonardo Group	33	108	-	22	-	-	-
- Saipem Group	3	22	-	-	-	-	-
	232,323	60,357	2,891	491	12,323	285,900	1,385
Other related parties							
- Eur Group	-	4	-	-	-	-	-
- Valvitalia Group	-	266	66	-	-	-	-
- CESI - Giacinto Motta	-	22	-	-	-	-	-

- Trevi	-	90	-	(1)	-	-	-
	-	382	66	(1)	-	-	-
Total	238,228	72,561	3,005	2,618	12,779	286,563	1,489

(a) Include costs for goods and services for investment.

(b) Gross of the regulation components having contra entry in costs.

Parent company

Commercial relations with the CDP Group are essentially related to fees due to directors.

Companies under joint control and associates

With Umbria Distribuzione Gas S.p.A. and Metano Sant'Angelo Lodigiano S.p.A., the main receivable commercial transactions mainly refer to IT and staff services.

With Enerpaper S.r.l., the payable commercial transactions refer to activities related to Superbonus construction sites managed by the Group.

With Energie Rete Gas S.r.l., the main receivable commercial transactions refer to technical services on the gas network and sale of cryogenic LNG tanks; the main payable transactions refer to services associated with the transport of natural gas by road.

State-owned or controlled enterprises

The main receivable commercial transactions predominantly refer to:

- the distribution of natural gas to the Eni Group and Enel Group;
- IT services and chargebacks of gas supply truck costs related to the Snam Group;
- energy efficiency certificates and net metering/dedicated collection of energy efficiency produced by photovoltaic plants in relation to the GSE Gestore Servizi Group;
- services associated with natural gas distribution in relation to the Ferrovie dello Stato Group and the Anas Group.

The main payable commercial transactions refer to:

- the supply of electricity and methane gas for internal consumption by the Eni Group;
- rental expenses and additional charges to lease contracts with the Snam Group;
- acquisition of energy efficiency certificates in relation to the GSE Gestore Servizi Group.

Financial transactions

Financial transactions can be broken down as follows:

(€ thousand)	As of 31 December 2024		For the three months ended 31 March 2024	
	Receivables	Payables	Income	Expense
Parent company				
- CDP Group	1,570	143,944	-	-
	1,570	143,944	-	-
Companies under joint control and associates				
- Energie Rete gas	2,125	-	-	-
	2,125	-	-	-
State-owned or controlled enterprises				
- Ferrovie dello Stato Group	-	405	-	-
- Anas Group	-	331	-	-
- Snam Group	-	1,466	-	-
	-	2,202	-	-
Total	3,695	146,146	-	-

(€ thousand)	As of 31 March 2025		For the three months ended 31 March 2025	
	Receivables	Payables	Income	Expense
Parent company				
- CDP Group	1,595	144,613	-	-
	1,595	144,613	-	-
Companies under joint control and associates				
- Energie Rete gas	2,125	-	-	-
	2,125	-	-	-
State-owned or controlled enterprises				
- Ferrovie dello Stato Group	-	405	-	-
- Anas Group	-	331	-	-
- Snam Group	-	1,466	-	-
	-	2,202	-	-
Total	3,720	146,815	-	-

Parent company

The main financial transactions conducted with the CDP Group concern portions of bond loans issued by Italgas as part of the EMTN Programme and portions of a mutual investment fund subscribed by Italgas.

Companies under joint control and associates

The main financial transactions with Energie Rete Gas relate to a shareholder loan agreement.

State-owned or controlled enterprises

The main financial transactions conducted with the Ferrovie dello Stato Group, the Anas Group, Eni Group and the Snam Group relate to IFRS16 debt for real estate operating leases.

26) Significant non-recurring events and transactions

Pursuant to Consob Communication DEM/6064293 of 28 July 2006, it should be stated that no significant non-recurring events or transactions took place during the three months ended 31 March 2025.

27) Positions or transactions arising from atypical and/or unusual transactions

Pursuant to Consob Communication DEM/6064293 of 28 July 2006, it should be stated that no atypical and/or unusual positions or transactions took place during the three months ended 31 March 2025.

28) Significant events after period end

The significant transactions carried out after 31 March 2025 are summarised below. The Interim Condensed Consolidated Statement of Financial Position have been submitted to the examination of the Company's Board of Directors and its publication was authorised within the terms and in accordance with the procedure prescribed by law. Therefore, this document does not note any events that occurred subsequent to that date.

Extraordinary transactions and area tenders

On 1 April 2025, Italgas completed the acquisition of 99.94% of the share capital of 2i Rete Gas S.p.A. from the sellers F2i SGR S.p.A. and Finavias S.à r.l.. The acquisition, announced to the market on 5 October, was completed following the receipt of the Golden Power Authorisations, Foreign Subsidies Regulation approval, and clearance from the Italian Competition Authority. The payment of the consideration at closing amounted to 2,071.9 million euros.

With this transaction, the Italgas Group becomes the leading gas distribution operator in Europe, with over 6,500 employees, 12.9 million customers served in Italy and Greece, 154,000 kilometres of networks, and more than 13 billion cubic metres of gas distributed annually.

On 16 April, the share consolidation became effective, aimed at reducing administrative and management costs for the Company, as well as facilitating the post-acquisition reorganisation of the Group. As a result of this share consolidation, Italgas now holds 100% of the share capital of 2i Rete Gas.

Capital operations

On 10 April 2025, the Italgas' Shareholders' Meeting, in an extraordinary session, approved the proposed Option Capital Increase for a total maximum amount of 1,020 million euro, as well as the IGrant 2025-2027

Broad-Based Share Ownership Plan and the Stock Grant Plan, along with the related capital increases to support them.

Other information

On 14 April 2025, Snam and CDP Reti signed a further agreement amending the Italgas Shareholders' Agreement with reference to the procedures for subscribing to Italgas shares in execution of any rights issues and/or capital increases. This modified agreement can be found on the Italgas website in the "Shareholders' agreements" section.

29) Publication of Interim Condensed Consolidated Statement of Financial Statements

The Interim Condensed Consolidated Statement were authorised for publication by the Board of Directors of Italgas at its meeting on 6 May 2025. The Board of Directors has authorized the Chairman and the CEO to make such amendments to the Interim Condensed Consolidated Statement as may be necessary or appropriate for the refinement of the form of the document.

30) Certification of the Officer responsible for the preparation of financial reports

The Officer responsible for the preparation of financial reports, Gianfranco Maria Amoroso, declares that the accounting information contained in this document corresponds to the documented results, books and accounting records.

REPORT ON REVIEW OF INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

**To the Board of Directors of
Italgas S.p.A.**

Introduction

We have reviewed the accompanying interim condensed consolidated financial statements of Italgas S.p.A. and subsidiaries (the “Italgas Group”), which comprise the interim condensed consolidated statement of financial position as of March 31, 2025 and the interim condensed consolidated income statement, interim condensed consolidated statement of comprehensive income, interim condensed consolidated statement of changes in equity and interim condensed consolidated cash flow statement for the three-month period then ended, and the related explanatory notes. The Directors are responsible for the preparation of this interim financial information in accordance with the International Accounting Standard applicable to the interim financial reporting (IAS 34) as issued by the International Accounting Standards Board and adopted by the European Union. Our responsibility is to express a conclusion on this interim financial information based on our review.

Scope of Review

We conducted our review in accordance with International Standard on Review Engagements 2410, “Review of Interim Financial Information Performed by the Independent Auditor of the Entity.” A review of interim condensed consolidated financial statements consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing (ISA Italia) and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the accompanying interim condensed consolidated financial statements of the Italgas Group as at March 31, 2025 are not prepared, in all material respects, in accordance with the International Accounting Standard applicable to the interim financial reporting (IAS 34) as issued by the International Accounting Standards Board and adopted by the European Union.

Other Matter

The information for the period ended as of March 31, 2024 has not been audited or reviewed.

DELOITTE & TOUCHE S.p.A.

Signed by

Paola Mariateresa Rolli

Partner

Milan, Italy

May 8, 2025

*This report has been translated into the English language solely for the convenience of international readers.
Accordingly, only the original text in Italian language is authoritative.*