



Integrated Annual Report 2025

VALUES, MISSION AND PURPOSE

Vision:

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

Mission:

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

Purpose:

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

Disclaimer

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

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

Corporate bodies

BOARD OF DIRECTORS¹

Nunziangelo Ferrulli	Chairperson ²
Pier Lorenzo Dell'Orco	Chief Executive Officer ³
Pietro Durante	Director
Barbara Lilla Boschetti	Independent Director
Donata Capotosti	Independent Director

BOARD OF STATUTORY AUDITORS⁴

Monica Petrella	Chairperson
Salvatore De Bellis	Standing Auditor
Antonio Santi	Standing Auditor
Angelica Mola	Alternate auditor
Alessandro Forte	Alternate auditor

INDEPENDENT AUDITING FIRM⁵

Deloitte & Touche S.p.A.

SUPERVISORY BODY⁶

Maria Chiara Zanconi	Chairperson
Francesco Giammaria	Member
Mirella Pellegrini	Member

¹ Appointed by the Shareholders' Meeting on 19 June 2023 and in office until the date of the Shareholders' meeting convened to approve the financial statements for the year ending 31 December 2025.

² Appointed Chairperson by the Shareholders' Meeting of 19 June 2023.

³ Appointed Chief Executive Officer by the Board of Directors on 19 June 2023.

⁴ Appointed by the Shareholders' Meeting on 22 April 2025 and in office until the Shareholders' meeting convened to approve of the financial statements for the year ending 31 December 2027.

⁵ Appointment granted by the Shareholders' Meeting on 19 February 2026 for the financial years 2025–2033.

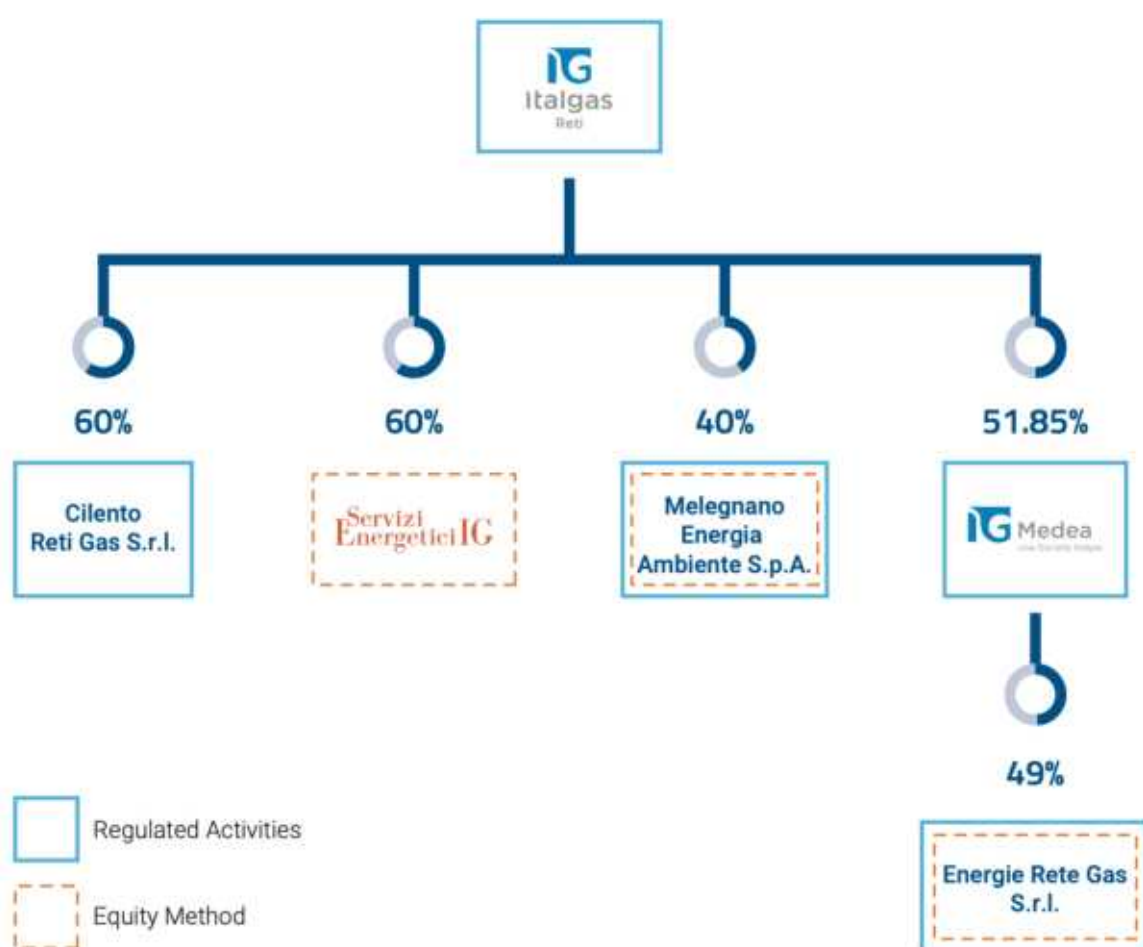
⁶ Appointed by the Board of Directors on 27 November 2023; in office until the expiry of the mandate of the Board of Directors that appointed him, namely until the date of the Shareholders' Meeting convened to approve the financial statements for the year ending 31 December 2025. In accordance with the Organisation, Management and Control Model pursuant to Legislative Decree 231/2001, the Body continues to exercise its duties in the interim period until the Board of Directors resolution that appoints the new Supervisory Body.

Italgas Reti Group structure as at 31 December 2025

The structure of the Italgas Reti Group as at 31 December 2025 changed compared with that in place as at 31 December 2024⁷ following the merger of 2i Rete Gas into Italgas Reti, effective from 1 July 2025.

This transaction resulted in the expansion of the scope of the Group, with the inclusion of the companies Cilento Reti Gas S.r.l., Servizi Energetici IG S.r.l. and Melegnano Energia Ambiente S.p.A..

Below is the structure of the group.



⁷ It should be noted that, on 30 January 2024, Italgas Reti S.p.A. acquired the equity investment representing 47.8% of the share capital of Acqua Campania S.p.A. held by Vianini Lavori. On 24 April 2024, Italgas Reti also completed the acquisition of an additional 47.9% stake held by the Veolia Group, bringing its holding in Acqua Campania to 96.23%. On 1 August 2024, the Shareholders' Meeting of Italgas Reti approved the partial and proportional demerger of the company in favour of Nepta S.p.A. (a company of the Italgas Group) pursuant to Articles 2506-bis and 2501-ter of the Italian Civil Code, to be carried out through the assignment to Nepta of part of the equity investment held by Italgas Reti in Acqua Campania S.p.A., equal to 95.7% of the share capital. The demerger became effective on 7 November 2024; following this transaction, Nepta S.p.A. holds 95.7% and Italgas Reti S.p.A. holds 0.53% of Acqua Campania. The transaction forms part of a process aimed at improving the efficiency and optimisation of the Italgas Group's equity investments in the water sector.

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Directors' Report

Letter to Shareholders and Stakeholders

2025 represented a pivotal moment for Italgas Reti. The acquisition and subsequent integration of 2i Rete Gas, completed in just 90 days, not only expanded the Group's scale but gave rise to a new industrial reality which, by virtue of its size and significance, is positioned as the operator of a strategic infrastructure for the country and as a European and global reference point in gas distribution. This new structure further consolidates Italgas' role as a technological benchmark and strengthens the Company's ability to act as an enabling platform for the energy transition.

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

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

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

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

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

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

With total revenues and other income adjusted of 1,733.33 million euro and an adjusted net profit attributable to the Group of 565.6 million euro, 2025 confirmed your Company's steady growth trend. These results were achieved thanks to the contribution of all Italgas Reti people, who successfully combined change with innovation and continuous improvement.

NUNZIANGELO FERRULLI

Chairperson & Non-Executive Director

PIER LORENZO DELL'ORCO

Chief Executive Officer and General Manager

2025 Highlights

Consolidated economic and financial highlights⁸

- **Total revenues and other income 1,778.8 million euro**, +33.8% compared to 2024;
- **Total revenues and other income adjusted 1,733.3 million euro**, +26.7% compared to 2024;
- **EBITDA 1,354.6 million euro**, +35.3% compared to the 2024 result;
- **Adjusted EBITDA 1,345.2 million euro**, +29.4% compared to the 2024 result;
- **EBIT 926.7 million euro**, +51.2% compared to the 2024 result;
- **Adjusted EBIT 917.3 million euro**, +40.8 compared to the 2024 result;
- **Adjusted net profit attributable to the Group 565.6 million euro**, +28.1% compared to the 2024 result;
- **Investments 811.8 million euro** (649.8 million euro in 2024);
- **Cash flow from operating activities 1,068.9 million euro** (932.2 million euro in 2024);
- **Net financial debt (excluding the effects of IFRS 16 and IFRIC 12) 6,774.0 million euro** (3,598.3 million euro on 2024);
- **Net financial debt 6,845.4 million euro** (3,633.6 million euro on 2024);

Operating highlights

- **Distribution network** laid during the year: equal to **530 km**, for a total length of approximately 137,879 km (including 72,232 km resulting from the incorporation of 2i Rete Gas);
- **Municipalities with gas distribution service concessions** increased, following the incorporation of the 2,239 municipalities of 2i Rete Gas, to 4,031 (1,792 as at 31 December 2024), of which 3,968 operating (1,751 as at 31 December 2024);
- Approximately **11,269 million active re-delivery points** and the **leading operator in Europe**.

Sustainability highlights⁹

- **Market-based Scope 1 and 2 emissions: 154.5 10³ tCO₂ eq;**
- **Energy consumption: 462.2 TJ**

⁸ For the economic and financial analyses for the financial year 2025, the company considered it more representative to comment on the adjusted results, i.e. the recurring results, comparing them with the adjusted recurring results for the financial year 2024.

⁹Sustainability highlights referring to the scope of the Group's consolidated companies, in line with what is stated in the section related to the scope of the Consolidated Sustainability Report.

Methodological note - Integrated Annual Report 2025

Objectives of the document

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

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

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

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

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

Reference framework and reporting standards

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

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

Financial consolidation scope

As at 31 December 2025, Italgas Reti fully consolidates Medea and Cilento Reti Gas.

The companies Energie Rete Gas, Melegnano Energia Ambiente and Servizi Energetici IG fall within the scope of consolidation and are accounted for using the equity method.

Changes in the scope of consolidation are illustrated under the Chapter entitled Annexes to the notes to the consolidated financial statements as at 31 December 2025.

Reporting scope of the Consolidated Sustainability Statement

The reporting boundary of the Consolidated Sustainability Statement refers to the companies consolidated using the line-by-line method indicated in the previous paragraph.

Reporting process

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

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

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

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

1. Italgas Reti profile

1.1 Corporate identity

Italgas Reti is the leading operator in the distribution of natural gas in Italy. At the end of 2025, through its companies, it managed 137,879 kilometres of gas distribution network at medium and low pressure, through which, in 2025, it distributed 8,302 million cubic metres of gas to 11,269 million customers (re-delivery points). The service is provided in 3,968 Municipalities under concession, with a long-standing presence in major cities, including Turin, Venice, Naples and Rome.

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

Through a significant investment plan, Italgas Reti has confirmed its commitment to linking industrial innovation with the energy transition thanks to its ability to anticipate the future, transform it into infrastructure and place it at the service of communities, guided by a vision based on innovation, technological neutrality and long-term value.

The Group's business

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

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

- Italgas Reti S.p.A. operating nationwide
- Medea S.p.A. operating in Sardinia
- Cilento Reti Gas S.r.l. operating in Campania.

Italgas Reti is subject to regulation by the Italian Regulatory Authority for Energy, Networks and Environment (also referred to as the Authority or ARERA), which defines both how to conduct the service and the rates for distribution and metering. The gas distribution business is carried out under concession.

2. Governance and risks

2.1 Governance

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

Italgas Reti has adopted the so-called traditional administration and control system¹⁰, which envisages the presence of the Board of Directors and Board of Statutory Auditors, in office for three financial years, as well as the Shareholders' Meeting and the Independent auditing firm. The corporate governance system is defined by the Board of Directors in compliance with the provisions of the Italian Civil Code, the regulations to which the Company is subject as a Public Interest Entity and the unbundling regulations, taking into account national and international best practices.

Increasing attention is paid by the Board to sustainability issues, which guide the Company in pursuing "sustainable success", creating long-term value for the benefit of the Shareholder while giving due consideration to the interests of stakeholders other than the Shareholder that play a significant role in ensuring the long-term sustainability of the market sector in which the Company operates.

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

Independent auditing firm

External auditing is entrusted in accordance with the law to an independent auditing firm entered in the relevant register and appointed by the Shareholders' Meeting on the reasoned proposal of the Board of Statutory Auditors. The assignment for the period 2025-2033 was awarded to the independent auditing firm Deloitte & Touche S.p.A. by the Shareholders' Meeting of 19 February 2026.

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

¹⁰ In applying the so-called traditional system of administration and control, the one-tier system and the two-tier system do not apply.

2.2 Risks Management

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

Italgas S.p.A.'s Enterprise Risk Management (ERM) Department is tasked with overseeing the Group's integrated business risk management process. The Enterprise Risk Management activities focus on the definition of a homogeneous, transversal model for assessing the risks, identifying priority risks, ensuring consolidation of the mitigation actions and developing a reporting system.

The ERM methodology adopted by the Italgas Group, and therefore also by Italgas Reti and its subsidiaries, is in line with the reference models and the existing international best practices (in particular, the 2017 COSO framework related to Enterprise Risk Management, issued by the Committee of Sponsoring Organizations of the Treadway Commission, and ISO 31000:2018). The process for the identification, assessment, measurement and management of the risks is carried out periodically, at least once a year, on the basis of the importance of the risk and any changes in context.

With reference to strategic risks, the ERM Department, in coordination with all relevant departments, carries out a specific in-depth analysis of risks, opportunities and uncertainties related to the Strategic Plan of the Italgas Group. The analysis allows estimation of the overall volatility of the defined economic and financial targets and evaluation of the level of resilience of the Strategic Plan of the Italgas Group. The "Strategic Plan" document, which has been approved by Italgas S.p.A.'s Board of Directors, contains the output of this analysis. The risks are updated once a quarter, half-year or year, depending on their relevance. The results found in relation to the main risks and related management plans are presented to Italgas S.p.A.'s Control and Risk and Related Party Transactions Committee at each updating. Moreover, the mapping of risks and the relevant management strategies are presented periodically to the Board of Statutory Auditors and the Supervisory Body of Italgas S.p.A. and to the Boards of Statutory Auditors and the Supervisory Bodies of the Subsidiaries, including Italgas Reti.

The Officer Responsible and the Internal Audit department of the Parent company also periodically receive the results of the risk assessments performed by the ERM department.

The reconciliation table below shows the main risks managed by the Italgas Reti Group mapped in the ERM process being monitored, the main management methods.

Category	Risk	Description	Main methods of management
Strategic/business-related	Changes in regulation and legislation	Risk of changes in the regulatory and institutional context in Europe or nationally. Risk of a penalising update of the rate of return on net invested capital recognised by the Regulator.	- Active participation in the consultations called by the Regulator - Active participation in consultations called by the Italian Government or by European Community organisations on relevant topics - Guidance aimed at defining unified trade positions
Strategic/business-related	Climate Change	Physical risk: increased frequency of extreme natural events. Emerging risk ¹¹ : Physical risk: increase in average temperatures. Emerging risk: Transition risk: change in	- Risk countermeasure "Service continuity: malfunctioning, accidents or extraordinary events" - Targets for reducing net greenhouse gas emissions (Net Carbon Zero target by 2050) and net energy consumption - Use of Picarro Surveyor technology

¹¹ Risk for which the potential effects for the company and/or sector refer to a medium to long-term time frame.

Category	Risk	Description	Main methods of management
		the legal and regulatory environment for greenhouse gases. Emerging risk: Transition risk: technological evolution that may have a negative impact on the number of active re-delivery points served.	<ul style="list-style-type: none"> - Process of transforming the network into digital infrastructure to enable the distribution of gases other than methane, such as hydrogen, biomethane and e-gas - Joining the UN Global Compact and UNEP's OGMP 2.0 - Carrying out energy efficiency projects - Actions intended to promote the development and dissemination of biomethane and power-to-gas technology
Strategic/business-related	Risks associated with the development and awarding of area tenders for the gas distribution service	<p>Risk of not being awarded concessions in the planned areas, or being awarded concessions with less favourable conditions.</p> <p>Risk of legal and/or arbitration disputes deriving from the complexity of the legislation that governs the expiry of the concessions held by Italgas.</p> <p>Risk that the redemption value of the concessions for which, following the assignment process, a third party is an assignee is lower than the value of the RAB.</p>	<ul style="list-style-type: none"> - The existing legislation states that, in the event of failure to be awarded concessions previously managed, the outgoing operator is entitled to the redemption value for the networks it owns. - Monitoring of legislative changes and evaluation of the potential impacts on the tender process - Planning of the Tender calendar and the bidding strategy integrated into the Group's Strategic Plan - Critical analysis of the quality of the tender bid and implementation of improvement measures, including through use of external experts, organisations and universities
Strategic/business-related	Worsening of the geopolitical context	Risk of negative changes in the geopolitical context and/or atypical events with potential tensions on the financial markets, impacts on operating continuity and/or on health and safety of staff and/or on the supply chain.	<ul style="list-style-type: none"> - Group Security Operation Center (G-SOC) and central platform for correlation of information from security systems. - Travel security and operational intelligence platform - Integrated Security Cloud Command Center and Physical Security Information Management. - With reference to the Russia-Ukraine and Israel-Palestine conflicts, the Group confirms the absence of production activities, personnel and first- or second-tier suppliers in the affected areas, and no significant critical issues are identified in light of Ukraine's decision not to renew the agreement for the transit of Russian gas.
Financial	Credit Risk	Risk of potential losses arising from counterparties failing to fulfil their obligations or delayed payment of amounts owed.	<ul style="list-style-type: none"> - Rules for user access to the gas distribution service established by the Regulator and set out in the Network Codes - Strong reliability of gas distribution customers as at 31 December 2025: - On average 98.0% of trade receivables are settled on the due date and more than 99.7% within the next 4 days;
Financial	Changes in interest rates, inflation and deflation	<p>Risk of fluctuations in interest rates</p> <p>Risk that inflation remaining below the Group's forecasts for a prolonged period may have negative effects on the value of the RAB and on expected regulated revenues.</p> <p>Risk of an unexpected increase in the inflation rate.</p>	<ul style="list-style-type: none"> - High incidence of fixed-rate financial and bond debt (as at 31 December 2025, 76.9% of the gross financial debt was at a fixed rate and 23.1% was at floating rate) - Mix of external financial resources - Monitoring of the main economic and financial indicators
Financial	Liquidity Risk	Risk that new financial resources may not be available (funding liquidity risk) or that the company may be unable to convert assets into cash on the market (asset liquidity risk), meaning that it cannot meet its payment commitments.	<ul style="list-style-type: none"> - Countermeasures as described in the "Changes in Interest rate, inflation and deflation" risk - Adequate level of cash held in current accounts and fixed-term deposits with leading banks - The EMTN programme of the parent company Italgas, in addition to funding from the banking system, which presently allow issue of the remaining bonds worth a nominal 5.0 billion euro to be placed with institutional investors
Financial	Credit rating risk	Risk of a downgrade in the credit rating of the parent company Italgas due to worsening in the economic and financial parameters or due to a downgrade of the rating of the Italian Republic.	<ul style="list-style-type: none"> - Countermeasures as described in the "Changes in Interest rate, inflation and deflation" risk - Constant dialogue with rating agencies
Financial	Debt covenant and default risk	Risk of failure to comply with financial covenants for existing loans (in some cases only when this is not remedied within a set time period), which could result in Italgas' failure to comply and could trigger the early repayment of the related loan.	<ul style="list-style-type: none"> - Absence of financial covenants and/or collateral in the loan agreements (as at 31 December 2025, there were no loan agreements with these characteristics) - Monitoring of compliance with contractual clauses (negative pledge undertakings, pari passu and change of control clauses, limitations on some extraordinary transactions that the Company and its subsidiaries may carry out) (as at 31 December 2025, these commitments appear to have been respected)
Operational	Anomalies in smart meter performance	Risk of increased levels of malfunctioning of remote-reading meters	<ul style="list-style-type: none"> - Adoption of Nimbus, the new generation smart meter - Maintenance of an adequate fund to cover malfunctions - Issue of adequate guarantees by suppliers

Category	Risk	Description	Main methods of management
		with lost/failed reading of the use and/or requiring replacement or regeneration.	<ul style="list-style-type: none"> - Resolution ARERA/DINE 01/2023 which requires, for G4/G6 smart meters produced by 2016 and installed by 2018, the recognition of the residual tariff value - Audits on suppliers and supply tests
Operational	Service continuity: malfunctioning, accidents or extraordinary events	Risks of malfunctioning and unforeseeable distribution service disruptions from unintended events, such as accidents, breakdowns or malfunctioning of equipment or control systems, the underperformance of plants, and extraordinary events such as explosions, fires, earthquakes, landslides or other similar events beyond Italgas Reti's control.	<ul style="list-style-type: none"> - Third Party Liability Insurance and Asset Protection coverage; - Communication campaigns, training and meetings to raise awareness - Command and Control Centre for Plants and Networks (CIR) - DANA (Digital Advanced Network Automation), network command and control system - Smart Maintenance: GIS model for the intelligent maintenance of Italgas networks. - Scheduled gas leakage detection
Operational	Cyber attacks	Risks of cyber attacks on the IT (Information Technology), OT (Operational Technology) and IoT (Internet of Things) sectors.	<ul style="list-style-type: none"> - Cybersecurity insurance coverage - ISO 27001 certification of the supplier Bludigit - Security measures to protect endpoints, access, information - Specific training on cyber risks - Phishing simulations for the Group's employees - Secure Product Development Lifecycle process, regular IT and OT vulnerability assessment and penetration tests - Real-time monitoring of IT and OT systems using the Security Information and Event Management (SIEM) - Leading sector suppliers with maximum levels of security defined and monitored - "Cybersecurity Awareness for third parties" - Cyber Threat Intelligence
Operational	Risks associated with the health and safety of people and environmental protection	Risk of incidents and/or injuries involving employees and partner companies. Risk that Italgas may incur costs or liability, including to a significant extent, arising from any environmental damage. Risks associated with the spread of pandemics or new diseases.	<ul style="list-style-type: none"> - Insurance policies for "individuals" - HSE system certified according to international legislation - Monitoring of HSE legislation - Digital applications for reporting and recording "near misses" and for waste management - Communication campaigns and HSE awareness meetings and training sessions also with suppliers/contractors on HSE topics and for creating standardised operating procedures - Internal procedures providing for specific measures against suppliers/contractors in the event of non-compliance in the HSE field - Audits on contractors during qualification and activities - Activities to promote health and well-being - Specific actions for remediation activities, such as risk provision and audits of sites undergoing remediation, both internal and by third parties
Operational	Risks associated with human resources	Risks associated with the development of human resources, including resources in key roles leaving, lack of technical and specialist know-how, increase in the age of company personnel, drop in the level of satisfaction and/or increase in workplace disputes	<ul style="list-style-type: none"> - Top Employers certification - Italgas Academy, Training courses in partnerships with universities, Multimedia platform with training initiatives - Knowledge transfer system - I-Grow Programme and Smart Rotation System - Succession plan for senior roles - UNI/PdR 125:2022 certification for gender equality - Survey on climate extended to all Group employees - Welfare system
Operational	Risks associated with the quality and level of service	Risk of non-compliance of the commercial levels of service for services to sales companies and/or risk of delayed or partial compliance with the obligations assumed.	<ul style="list-style-type: none"> - Continuous monitoring of Key Performance Indicators - Software for digital oversight of the investment process - Surveys at sales companies - Mapping the existing concession obligations, monitoring and activating for prompt interventions - Constant dialogue with contracting parties
Operational	Supply chain risks	Risks associated with the availability and cost of materials, services and supplies, the operating capacity and scalability and the reputational and compliance reliability (including respect for human rights) of the suppliers and contractors of the Group.	<ul style="list-style-type: none"> - Planning of procurement, analysis and monitoring of department KPIs - Economic-financial, reputational verifications and on-site technical and ESG checks for the Qualification purposes and ESG for Suppliers deemed Critical/Strategic - "Supplier Code of Ethics" - Standardised tender processes and regulations - ESG reward criteria during the tender phase, ESG audits and implementation of the Action Plan - Anti-mafia audits in tender procedures relating to special sectors - Supplier performance evaluation, including in terms of sustainability - Procurement diversification and scouting activities for innovative assets, produced with alternative materials

Category	Risk	Description	Main methods of management
Operational	Unpredictable developments in commercially available artificial intelligence solutions	Emerging risk whose potential effects for the Company and/or the sector relate to a medium to long-term time horizon, linked to the evolution of AI models (Machine Learning and Generative Artificial Intelligence) available on the market, the timing of their commercialisation and functionalities of which may be unpredictable, and to their adoption and use by the Group.	<ul style="list-style-type: none"> - Presence of a dedicated department within the Italgas Group (Group Artificial Intelligence Office), with the aim of guiding the transformation, coordinating the various actors involved in the deployment, overseeing implementation and coordinating the digital transformation of the Group's activities - Model training carried out during the development phase and periodically updated - Monitoring of the model's performance level in terms of accuracy and reliability
Legal and non-compliance	Risk of non-compliance and legislative changes	Risk of non-compliance with legislation at European, national, regional and local level with which Italgas must comply in relation to the activities that it carries out and/or risk of failure to intercept and transpose new regulations falling under the scope of application	<ul style="list-style-type: none"> - Internal control and risk management system and areas of responsibility defined in terms of compliance - Code of Ethics, Model 231, Policy for the prevention of and fight against corruption, ISO 37001 anti-bribery certification - ISO 37301 compliance system certification - Training for personnel on compliance issues - Analysis and monitoring of the reputational requirements of the Group's counterparties - "Supplier Code of Ethics"
Legal and non-compliance	Difficulty of the supply chain in complying with future ESG regulatory standards	Emerging risk whose potential effects for the Company and/or the sector relate to a medium-term time horizon, associated with a deterioration in ESG performance within the supply chain, due to the potential difficulty for the Group's suppliers to adapt to and comply with future ESG regulatory requirements. Given the relevance of Small and Medium-Sized Enterprises in our supply chain, the risk lies in the potential difficulty in identifying suppliers with ESG standards aligned with future regulatory developments, such as the CS3D and the CBAM, as well as currently unknown developments.	<ul style="list-style-type: none"> - ESG reporting is a mandatory requirement in the Group's supplier qualification process - Assessment and development plans for strategic suppliers - Periodic monitoring of suppliers with a focus on ESG - Training and awareness programmes for suppliers on ESG topics

2.3 Internal control system

In order to ensure the correctness¹², accuracy¹³, reliability¹⁴ and timeliness of the information communicated to shareholders and the market, through the parent company, Italgas Reti is committed to promoting and maintaining an adequate Corporate Reporting Internal Control System (hereinafter also referred to as the "SCIS"). The SCIS represents the set of all instruments necessary or useful to guiding, managing and verifying the corporate business.

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

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

¹²Reporting reliability: reporting that is correct, complies with generally accepted accounting standards and fulfils the requirements of the applicable laws and regulations.

¹³Disclosure accuracy: error-free information.

¹⁴ Reporting reliability: reporting that is clear and complete that would enable investors to make conscious investment decisions.

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

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

Italgas Reti's regulatory system

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

The By-Laws, Code of Ethics, Model 231, Certified Management Systems and other compliance models constitute the general reference framework of the Regulatory System, because the inspiring principles are recognised as founding principles of the behaviour the personnel of the Group and, therefore, form part of the general reference framework of the entire Regulatory System. These regulatory tools are part of the efficient handling of the Direction and Coordination activities performed by the parent company Italgas concerning the Italgas Reti Group and, where envisaged, they are subject to regular delivery to, and/or formal adoption by, the Boards of Directors of Italgas' Subsidiaries.

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

The elements of the Regulatory System are as follows:

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

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

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

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

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

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

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

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

2.4 Ethics and compliance

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

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

The Code of Ethics

The Italgas Reti's Board of Directors approved the Code of Ethics (general essential principle of the 231 Model adopted by Italgas Reti and by the Group companies in accordance with Italian Legislative Decree no. 231/2001), a document that sets out the values recognised by the Group.

The Supervisory Bodies of each Group company, reporting on a half-yearly basis to the Control and, Risk and Related Party Transactions Committee of Italgas and the Board of Statutory Auditors on the implementation and need for update of the Code of Ethics, act as the "Guarantors" of the Code of Ethics. Furthermore, the Code of Ethics is also subject to periodic external audits carried out by independent bodies on the implementation of the Company's internal management systems.

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

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

The most recently updated version of the Model was approved by the Company's Board of Directors on 05 May 2025 to reflect the current organisational structure and scope of the Company's activities, also in light of the recent corporate acquisitions, and the regulatory changes affecting Legislative Decree no. 231/2001.

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

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

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

Certified management systems and accreditations

Italgas promotes the adoption by the Group companies, including Italgas Reti and its subsidiaries, of management systems structured and implemented in accordance with the requirements of the relevant international standards.

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

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

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

For the production of meters in 2025, Italgas Reti obtained MID certification, form D, issued by the notified body Tifernogas which will periodically verify its maintenance.

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

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

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

Anti-corruption

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

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

- the Model 231;
- the management System for preventing and combating corruption in compliance with the UNI ISO 37001:2016 standard (“Anti-Bribery Management Systems”);
- the Corporate Compliance Policy, which defines, among other things, the objectives and principles of the Anti-Bribery Management System;
- the Anti-Corruption Compliance Standard, which provides a systemic overview of reference of the regulatory tools adopted by Italgas to prevent and fight corruption;
- the Compliance Standard “*Reports received by Italgas and its Subsidiaries*” which governs the process for handling reports, including anonymous reports.

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

During 2025, no incidents of corruption were recorded.

Whistleblowing

Italgas Reti's Whistleblowing Management System obtained certification of conformity with technical standard UNI ISO 37002:2021 on 18 September 2024 from the certification body DNV-GL Business Assurance Italia S.r.l.

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

Compliance

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

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

Conflict of Interest

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

Antitrust

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

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

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

Integrated security

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

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

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

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

Digitisation and innovation

Bludigit, the digital company of the parent company Italgas, leads the transformation through cutting-edge solutions such as Nimbus, a sustainable smart meter with more than 20,000 prototypes already installed, and through initiatives such as the AI Academy, which develops skills while consolidating artificial intelligence as a strategic driver of growth.

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

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

Cybersecurity

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

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

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

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

During 2025, the Group fulfilled the requirements set out in the NIS 2 (Network & Information Security) Directive by identifying and registering the Group’s essential and important entities on the portal of the National

Cybersecurity Agency and defining a roadmap of compliance actions to strengthen security safeguards, ensure the operational continuity of essential services and comply with the obligations that will enter into force from January 2026.

The Group systematically holds meetings with institutional and government authorities to strengthen its public-private cooperation network.

Information and personal data security

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

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

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

The information security management system of Bludigit, a company belonging to the Italgas Group, of which Italgas Reti is a part, is certified to ISO/IEC 27001:2022, and is therefore compliant with the requirements of the main international standard of reference on information security.

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

3. Operating performance

3.1 Main events

Extraordinary transactions and area tenders

- On 1 July 2025, the merger by incorporation of 2i Rete Gas into Italgas Reti became effective, as did the spin-off of the former 2i Rete Gas IT business unit, including the equity investment in IG Rete Dati, from Italgas Reti to Bludigit.
- On 22 September 2025, the Municipality of Catanzaro, as the contracting authority, and Italgas Reti signed the contract for the management of the natural gas distribution service in the Catanzaro-Crotone Territorial Area for a period of twelve years (109 municipalities of the ATEM and 110,000 customers served).
- On 13 October 2025, the Municipality of Ivrea, as the contracting authority, awarded Italgas Reti the management of the gas distribution service in the “Turin 5” Territorial Area, which includes 76 municipalities in the Canavese area, 64 of which are already connected to the methane network, and which serves approximately 58,000 customers.

Antitrust requirements

- On 11 March 2025, the Italian Competition Authority (AGCM) authorised the concentration transaction consisting of the acquisition of sole control of 2i Rete Gas by Italgas, subject to a series of divestiture and behavioural remedies. On 6 June 2025, Italgas published a notice for the sale of approximately 600 re-delivery points, corresponding to 20% of the total re-delivery points in 31 ATEMs¹⁵, as well as a number of re-delivery points equal to those acquired from 2i Rete Gas in a further 4¹⁶ ATEMs. After receiving the bids, the Authority completed the positive assessment of the suitability of the following potential buyers: Ascopiave S.p.A., Erogasmet S.p.A., GP Infrastrutture S.r.l., and a temporary consortium consisting of Plures (formerly Alia Servizi Ambientali S.p.A.), Estra S.p.A. and Centria S.r.l. The assets sold are located in twelve ATEMs (Bari 2, Barletta-Andria-Trani, Brescia 5, Campobasso, Frosinone 2, Massa Carrara, Padua 2 and 3, Pisa, Rome 5, Teramo and Viterbo), for a total of 247,000 re-delivery points, networks and service plants, the related personnel involved and the assets required for service management, for a total consideration of 253.1 million euro¹⁷. On 1 March 2026, the ATEMs of Bari 2, Barletta-Andria-Trani, Pisa and Teramo were transferred to a temporary consortium comprising Plures, Estra and Centria, for approximately 120,000 active re-delivery points (PdR). The remaining transfers will take place in the second quarter of 2026.

Other events

- In August 2025, the parent company launched the “IGrant” initiative, the name of Italgas’ Employee Share Ownership Plan, an initiative that allowed employees to purchase Italgas shares on favourable

¹⁵ In the following ATEMs: Agrigento, Bari 2, Benevento, Brescia 5, Caltanissetta, Campobasso, Caserta 2, Catania 1, Frosinone 2, L’Aquila 2, Mantua 2, Massa Carrara, Matera, Messina 2, Napoli 2, Novara 2, Padua 2, Padua 3, Potenza 1, Potenza 2, Ragusa, Reggio di Calabria-Vibo Valentia, Rome 4, Rome 5, Salerno 1, Salerno 3, Teramo, Turin 6, Trapani, Varese 1, Viterbo.

¹⁶ In the following ATEMs: Barletta- Andria-Trani, Caserta 1, Cosenza 2, Pisa.

¹⁷ Price subject to possible post-closing adjustment (upward or downward) based on positive or negative differences.

terms with the aim of involving everyone in the Company's growth, strengthening the sense of belonging and offering a concrete opportunity to participate in the Group's results.

- On 2 October 2025, Hyround was inaugurated in Sardinia, the first plant in Italy for the production of green hydrogen directly connected to the city gas distribution network, powered by a 1 MW photovoltaic field. The initial production of 21 tonnes per year is expected to increase to 70 by 2028, with uses in local public transport, in the domestic and commercial network of Sestu, and at a dairy plant, supported by an investment of approximately 15 million euro and NRRP funding of 1.5 million euro for the hydrogen refuelling station, highlighting the future role of hydrogen in the energy transition.
- On 18 December 2025, Italgas successfully achieved the first ISO 9001 and ISO 45001 certification issued by DNV, following the audit conducted between October and December 2025. The result confirms the solidity of the management system and the ongoing commitment to process improvements, service quality, and protecting health and safety. The certifications attest to a model focused on continuous improvement, risk prevention and worker well-being.

3.2 Key figures

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

Key financial figures (*)

(€ million)	For the year ended 31 December 2024	For the year ended 31 December 2025
Total revenues and other income adjusted	1,368.1	1,733.3
Adjusted EBITDA	1,039.9	1,345.2
Adjusted EBIT	651.5	917.3
Adjusted Profit before taxes	585.2	791.0
Adjusted net profit	445.3	568.6
Adjusted net profit attributable to the Group	441.6	565.6

(*) Unlike the legal statement, the adjusted reclassified income statement requires the listing of Total revenues and other income and Operating costs net of the impact of IFRIC 12 "Service concession agreements" (578.3 e 728.2 million euro respectively in 2024 and 2025), connection contributions (14.3 e 27.0 million euro respectively in 2024 and 2025), repayments from third parties (15.4 e 18.4 million euro respectively in 2024 and 2025) and other residual components (16.5 e 14.1 million euro respectively in 2024 and 2025). It also excludes special items (for more information, please refer to Chapter 4 under "Special Items").

(€ million)	As of 31 December 2024	As of 31 December 2025
Net invested capital at the end of the end of period	6,669.4	12,148.8
Equity	3,035.8	5,303.4
Net financial debt	3,633.6	6,845.4
Lease liabilities - IFRS 16	35.3	71.4
Net financial debt (excluding the effects pursuant to IFRS 16)	3,598.3	6,774.0

3.3 Infrastructure

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

The systems for the reduction of pressure are devices placed along the distribution network and have the task to bring the pressure of the gas at the right level in relation to the type of use.

Investments

In 2025, technical investments were made for 811.8 million euro (649.8 million euro as at 31 December 2024).

(€ million)	As of 31 December 2024	As of 31 December 2025	Abs. change	% Change
Gas distribution	410.3	526.9	116.6	28.4
Network maintenance and development	348.7	501.8	153.1	43.9
New networks	61.6	25.1	(36.5)	(59.3)
Gas digitisation	177.1	201.6	24.5	13.8
Other assets	86.2	106.2	20.0	23.2
- of which the effect of IFRS 16	3.2	10.2	7.0	
Metering	90.9	95.4	4.5	5.0
Other investments	62.4	83.3	20.9	33.5
- of which Real Estate	17.4	35.0	17.6	
- of which ICT	0.6	2.9	2.3	
- of which the effect of IFRS 16	36.3	37.5	1.2	3.3
	649.8	811.8	162.0	24.9

Investments related to gas distribution (526.9 million euro) increased by 116.6 million euro compared to the same period in 2024 mainly as a result of the new scope arising from the acquisition of 2i Rete Gas (+80.7 million euro).

Investments in digitisation (201.6 million euro) increased by 13.8% compared with the corresponding period of 2024, despite the decrease resulting from the gradual completion of the digitisation process of the network in Italy, thanks to the launch of activities on the infrastructure of the former 2i Rete Gas. Other investments (83.3 million euro) increased by 33.5% compared to 2024 and include the redevelopment works in the “Corso Regina Margherita” area of Turin, the IT developments resulting from the integration of 2i Rete Gas and the vehicle fleet.

Operating figures

The key operating figures are shown below:

Key operating figures for gas distribution Italgas Reti Group	As of 31 December 2024	As of 31 December 2025	Abs. change	% Change
Active meters (*)	6,446.154	11,268.712	4,823	74.8
Municipalities with gas distribution concessions (no.) (**)	1,792	4,031	2,239	
Municipalities with gas distribution concessions in operation (no.) (**)	1,751	3,968	2,217	
Distribution network (kilometres) (***)	65,506	137,879	72,373	
Gas distributed (million cubic metres)	6,023	8,302	2,279	37.8
Water sales (millions of cubic metres) (****)	218		(218)	
Gas investments (million euro)	622.5	697.2	74.7	12.0
Water investments (million euro) (****)	1.4		(1.4)	

*The figure for 2025 includes the effect of incorporating the re-delivery points of 2i Rete Gas (+4,846 thousand).

**The figure for 2025 includes the effect of the incorporation of the municipalities with distribution licences of the company 2i Rete Gas (2,204 municipalities, all of which are operational).

***The figure for 2025 includes the effect of the incorporation of the distribution networks of the company 2i Rete Gas (+72,000 kilometres).

****It should be noted that in 2024 Acqua Campania left the Italgas Reti Group.

4. Comment on the results and other information

4.1 Comment on the economic and financial results¹⁸

Reclassified income statement (*)

(€ million)	For the year ended 31 December 2024	For the year ended 31 December 2025	Abs. change	% Change
Gas distribution regulated revenue	1,251.7	1,763.0	511.3	40.8
Other revenues	77.9	15.8	(62.1)	(79.7)
Total revenues and other income (*)	1,329.6	1,778.8	449.2	33.8
<i>of which special items</i>	<i>38.5</i>	<i>(45.5)</i>	<i>(84.0)</i>	<i>-</i>
Total revenues and other income (*) adjusted	1,368.1	1,733.3	365.2	26.7
Operating costs (*)	(328.2)	(424.2)	(96.0)	29.3
<i>of which special items</i>	<i>-</i>	<i>36.1</i>	<i>36.1</i>	<i>-</i>
Adjusted operating costs (*)	(328.2)	(388.1)	(59.9)	18.3
EBITDA	1,001.4	1,354.6	353.2	35.3
EBITDA adjusted	1,039.9	1,345.2	305.3	29.4
Amortisation, depreciation and impairment	(388.4)	(427.9)	(39.5)	10.2
EBIT	613.0	926.7	313.7	51.2
EBIT adjusted	651.5	917.3	265.8	40.8
Net financial expense	(67.4)	(134.0)	(66.6)	98.9
<i>of which special items</i>	<i>-</i>	<i>5.7</i>	<i>5.7</i>	<i>-</i>
Adjusted net financial expense	(67.4)	(128.3)	(60.9)	90.4
Net income from equity investments	1.0	2.0	1.0	94.2
Profit before taxes	546.7	794.7	248.0	45.4
Adjusted Profit before taxes	585.2	791.0	205.8	35.2
Income taxes	(129.1)	(223.5)	(94.4)	73.1
<i>Taxation related to special items</i>	<i>(10.8)</i>	<i>1.1</i>	<i>11.9</i>	<i>-</i>
Adjusted income taxes	(139.9)	(222.4)	(82.5)	59.0
Profit	417.6	571.3	153.7	36.8
Profit attributable to the Group	414.4	568.4	154.0	37.2
Adjusted net profit	445.3	568.6	123.3	27.7
Adjusted net profit attributable to the Group	441.6	565.6	124.0	28.1

(*) Unlike the legal statement, the adjusted reclassified income statement requires the listing of Total revenues and other income and Operating costs net of the impact of IFRIC 12 "Service concession agreements" (578.3 e 728.2 million euro respectively in 2024 and 2025), connection contributions (14.3 e 27.0 million euro respectively in 2024 and 2025), repayments from third parties (15.4 e 18.4 million euro respectively in 2024 and 2025) and other residual components (16.5 e 14.1 million euro respectively in 2024 and 2025). It also excludes special items (for more information, please refer to the following paragraph "Special Items").

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

Special items

Italgas' management assesses Group performance on the basis of alternative performance measures¹⁹ not envisaged by IFRS, obtained by excluding special items from operating result and net profit.

The income components are classified as special items, if significant, when: (i) they result from non-recurring events or transactions or from transactions or events which do not occur frequently in the ordinary course of business; (ii) they result from events or transactions which are not representative of the normal course of business, or (iii) they result from economic components that do not generate cash flows, typically of an accounting nature (non-cash movement). The tax rate applied to the items excluded from the calculation of

¹⁸ This paragraph refers to the Italgas Reti Group, which includes: Italgas Reti S.p.A., Medea S.p.A. and Cilento Reti Gas. In 2024, the scope included Acqua Campania S.p.A. and L.A.C. Laboratorio Acqua Campania S.r.l., from the acquisition of the first tranche of shares from Vianini Lavori S.p.A. (30 January 2024) until the effective date of the partial and proportional demerger in favour of Nepta S.p.A., a company of the Italgas Group, of 95.7% of the share capital of Acqua Campania (7 November 2024).

¹⁹ For the definition of alternative performance measures, please refer to the chapter "Non-GAAP Measures" of this document.

adjusted net profit is determined on the basis of the nature of each revenue item subject to exclusion. Adjusted operating profit and adjusted net profit are not provided for by either IFRS or other standard setters. These performance metrics allow for analysis of the business trends, making it easier to compare results. The NON-GAAP financial report must be considered complementary to and not replacing the reports prepared according to IFRS.

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

- the decrease of 48.7 million euro (with a tax effect of +13.6 million euro) for the recognition of higher unit costs recognised for tariff purposes for the years 2020-2024 (arising from the implementation of Resolution no. 87/2025/R/gas);
- the increase of 3.1 million euro (with a tax effect of -0.9 million euro) due to the non-recognition of capital costs in start-up locations starting from the 2018 financial year in which Italgas Reti did not reach the ceiling (re-delivery point density per km of network), arising from Resolution no. 704/2016/R/gas, supplemented by Resolution no. 525/2022/R/gas;
- the increase in costs relating to penalties for the difference between the gas injected into and gas collected from city gates arising from Resolution no. 386/2022/R/gas for the years 2020-2022, 2021-2023 and 2022-2024 equal to -8.2 million euro (with a tax effect of -2.3 million euro);
- the increase in costs related to the acquisition and integration of 2i Rete Gas and the costs associated with the disposals required by the Antitrust measure for a total of 29.4 million euro (including financial expenses, with a tax effect of -8.2 million euro);
- the increase in share-based payments deriving from the employee share ownership plan (IGrant Plan) and from the Co-investment Plan dedicated to the Group's managers for +4.2 million euro in operating costs (with a tax effect of -1.1 million euro).

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

(€ million)	For the year ended 31 December 2024	For the year ended 31 December 2025
Total revenues and other income	1,329.6	1,778.8
<i>of which special items</i>	38.5	(45.5)
- contribution pursuant to ARERA Resolution no. 87/2025/R/gas	-	(48.7)
- distribution for start-up locations	4.6	3.1
- reimbursements for smart metering/remote management for the years 2011-2016	9.9	-
- gas distribution service safety awards for the year 2020	24	-
Total revenues and other income adjusted	1,368.1	1,733.3
Total operating costs	(328.2)	(424.2)
<i>of which special items</i>	-	36.1
Adjusted total operating costs	(328.2)	(388.1)
EBITDA	1,001.4	1,354.6
<i>of which special items</i>	38.5	(9.4)
Adjusted EBITDA	1,039.9	1,345.2
Amortisation, depreciation and impairment	(388.4)	(427.9)
<i>of which special items</i>	-	-
Adjusted amortisation, depreciation and impairment	(388.4)	(427.9)
EBIT	613.0	926.7
<i>of which special items</i>	38.5	(9.4)
Adjusted EBIT	651.5	917.3
Net financial expense	(67.4)	(134.0)
<i>of which special items</i>	-	5.7
Adjusted net financial expense	(67.4)	(128.3)
Net income from equity investments	1.0	2.0
Profit before taxes	546.7	794.7
<i>of which special items</i>	38.5	(3.7)
Adjusted profit before taxes	585.2	791.0

Income taxes	(129.1)	(223.5)
<i>of which special items</i>	(10.8)	1.1
Adjusted income taxes	(139.9)	(222.4)
Profit	417.6	571.3
Profit attributable to the Group	414.4	568.4
Adjusted net profit	445.3	568.6
Adjusted net profit attributable to the Group	441.6	565.6

Analysis of the Reclassified Income Statement items

TOTAL REVENUES AND OTHER INCOME

(€ million)	For the year ended 31 December 2024	For the year ended 31 December 2025	Abs. change	% Change
Distribution revenue	1,199.7	1,662.0	462.3	38.5
<i>of which special items</i>	14.5	(45.5)	(60.0)	-
Adjusted distribution revenue	1,214.2	1,616.5	402.3	33.1
Other distribution revenue	52.0	101.0	49.0	94.2
<i>of which special items</i>	24.0	-	(24.0)	-
Other adjusted distribution revenue	76.0	101.0	25.0	32.9
Total gas distribution regulated revenue	1,251.7	1,763.0	511.3	40.8
Total adjusted gas distribution regulated revenue	1,290.2	1,717.5	427.3	33.1
Other revenues	77.9	15.8	(62.1)	(79.7)
Total revenues and other income	1,329.6	1,778.8	449.2	33.8
Total revenues and other income adjusted	1,368.1	1,733.3	365.2	26.7

Total revenues and other income amounted to 1,778.8 million euro, an increase of 449.2 million euro compared with the corresponding period of 2024 (+33.8%), and relate to gas distribution regulated revenue (1,763.0 million euro, including special items for 45.5 million euro) and other revenues (15.8 million euro).

Total revenues and other income adjusted²⁰ amounted to 1,733.3 million euro, up by 365.2 million euro compared with the same period in 2024 (+26.7%).

Gas distribution regulated revenue increased by 511.3 million euro compared with 2024 as a result of the new scope deriving from the acquisition of 2i Rete Gas (+394.0 million euro), despite the significant reduction in the WACC (-45.5 million euro), almost entirely offset by the growth in the RAB, mainly due to the investments made during the period and the revaluation of capital costs²¹, and by the impact over the twelve months of 2025 of the higher operating costs recognised for tariff purposes (ARERA Resolution no. 87/2025/R/gas).

Other revenues decreased by 62.1 million euro compared with 2024, mainly due to water revenues recognised exclusively in 2024 (-61.5 million euro).

Total revenues and other income adjusted²² amounted to 1,733.3 million euro, up by 365.2 million euro compared with the same period in 2024.

²⁰Italgas' management assesses Group performance on the basis of alternative performance measures not envisaged by IFRS, obtained by excluding special items from operating result and net profit.

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

²¹ Previously also known as the "Deflator".

²²Italgas' management assesses Group performance on the basis of alternative performance measures not envisaged by IFRS, obtained by excluding special items from operating result and net profit.

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

OPERATING COSTS

(€ million)	For the year ended 31 December 2024	For the year ended 31 December 2025	Abs. change	% Change
Fixed gas distribution costs	217.0	282.6	65.6	30.2
Net personnel costs	69.6	97.0	27.4	39.4
Net external costs	147.4	185.6	38.2	25.9
Other assets	37.0	0.6	(36.4)	(98.4)
Net personnel costs	5.5	-	(5.5)	-
Net external costs	31.5	0.6	(30.9)	(98.1)
Other costs and provisions	5.9	42.5	36.6	-
<i>of which special items</i>	-	36.1	36.1	-
Other adjusted costs and provisions	-	6.4	6.4	-
EEC	(0.1)	(3.4)	(3.3)	-
Concession-related expenses	68.4	101.9	33.5	49.0
Operating costs	328.2	424.2	96.0	29.3
Adjusted operating costs	328.2	388.1	59.9	18.3

Operating costs amounted to 424.2 million euro, an increase of 96.0 million euro compared with the corresponding period of 2024, mainly due to the inclusion of the new scope resulting from the acquisition of 2i Rete Gas.

Adjusted operating costs amounted to 388.1 million euro, up by 59.9 million euro compared with the same period in 2024. On a like-for-like basis, and so including the values of 2i Rete Gas for six months also in FY 2024, costs decreased by 46.1 million euro (-10.6%).

(€ million)	For the year ended 31 December 2024	For the year ended 31 December 2025	Abs. change	% Change
Amortisation and depreciation	388.4	427.9	39.5	10.2
Intangible assets IFRIC 12	352.2	384.3	32.1	9.1
Other Intangible Assets	1.9	2.2	0.3	15.8
Property, plant and equipment	34.3	41.4	7.1	20.7
<i>of which, depreciation as per IFRS 16</i>	20.7	28.8	8.1	39.1
Impairment	-	0.0	0.0	0.0
Amortisation, depreciation and impairment	388.4	427.9	39.5	10.2

Amortisation, depreciation and impairment came to 427.9 million euro, up 39.5 million euro (+10.2%) compared to 2024, mainly due to the assets acquired from 2i Rete Gas, partially offset by the effect over 12 months of the completion of the amortisation process for assets to be transferred free of charge relating to the Rome concession (expired in November 2024).

NET FINANCIAL EXPENSE

(€ million)	For the year ended 31 December 2024	For the year ended 31 December 2025	Abs. change	% Change
Expense (income) on short-term and long-term financial debt	67.6	134.4	66.8	98.8
<i>of which special items</i>	-	5.7	5.7	-
Other net financial expense (income)	(0.2)	(0.4)	(0.2)	-
Expenses (income) related to the discounting of environmental provisions and provisions for employee benefits	1.4	0.6	-	-
Other net financial expense (income)	(1.6)	(1.0)	0.6	(37.5)
Net financial expense	67.4	134.0	66.6	98.8
Adjusted net financial expense	67.4	128.3	60.9	90.4

Net financial expense increased by 66.6 million euro compared with 2024, mainly due to the financial expenses related to the financing associated with the 2i Rete Gas transaction.

Adjusted net financial expense amounted to 128.3 million euro, up by 60.9 million euro.

NET INCOME FROM EQUITY INVESTMENTS

Net income from equity investments amounted to 2 million euro and refer to the contribution of investments accounted for using the equity method.

INCOME TAXES

(€ million)	For the year ended 31 December 2024	For the year ended 31 December 2025	Abs. change	% Change
Current taxes	137.5	254.4	116.9	85.0
Net deferred taxes	(8.4)	(30.9)	(22.5)	-
Income taxes	129.1	223.5	94.4	73.1
<i>Taxation related to special items</i>	<i>(10.8)</i>	<i>1.1</i>	<i>11.9</i>	<i>-</i>
Adjusted income taxes	139.9	222.4	82.5	59.0
Effective tax rate (%)	23.6%	28.1%		
Adjusted effective tax rate (%)	23.9%	28.1%		

Income taxes amounted to 223.5 million euro, up by 94.4 million euro compared with the corresponding figure for the previous year, as a result of the higher pre-tax result for the period. Income taxes include the tax effect related to special items for 1.1 million euro.

Adjusted income taxes amounted to 222.4 million euro, an increase of 82.5 million euro compared to the previous year, due to the cessation during financial year 2025 of the patent box benefit (21.9 million euro in 2024) and higher profit before taxes for the period.

The **Adjusted tax rate** thus stands at 28.1% (23.9% in the financial year 2024).

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

Reclassified Statement of Financial Position

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

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

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

(€ million)	As of 31 December 2024	As of 31 December 2025	Abs. change
Fixed capital (*)	6,405.4	11,577.8	5,172.4
Property, plant and equipment	297.8	383.3	85.5
Intangible assets	6,108.6	11,254.1	5,145.4
Equity investments	28.1	33.6	5.6
Financial receivables and securities instrumental to operations	299.8	303.8	4.0
Net payables for investing activity	(328.8)	(396.9)	(68.1)
Net working capital	301.4	396.4	95.0
Provisions for employee benefits	(42.3)	(61.8)	(19.6)
Assets held for sale and directly related liabilities	4.9	236.4	231.5
NET INVESTED CAPITAL	6,669.4	12,148.8	5,479.4
Equity	3,035.8	5,303.4	2,267.6
- attributable to the Italgas Group	2,970.9	5,237.4	2,266.5
- attributable to non-controlling interests	64.9	66.0	1.1
Net financial debt	3,633.6	6,845.4	3,211.8
FUNDING	6,669.4	12,148.8	5,479.4

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

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

(€ million)	Property, plant and equipment	IFRIC 12 assets	Intangible assets	Total
Balance as at 31 December 2024	297.8	6,077.3	31.4	6,406.4
Additions	78.0	728.3	5.5	811.8
- of which IFRS 16	47.8	-	-	47.8
Amortisation, depreciation and impairment	(41.4)	(384.3)	(2.2)	(427.9)
- of which, amortisation and depreciation as per IFRS 16	(28.8)	-	-	(28.8)
Assets acquired through business combination	-	33.9	0.4	34.3
Grants	-	(38.7)	-	(38.7)
Net disposals and sales	(2.2)	(31.2)	-	(33.4)
Reclassified other assets held for sale	(1.24)	(216.1)	(22.0)	(239.3)
Other changes:	52.4	4,541.7	530.1	5,124.2
- 2i Rete Gas incorporation	53.3	4,537.4	564.9	5,155.6
- spin-off of Bludigit	(2.4)	3.2	(42.4)	(41.6)
- other changes	1.5	1.2	7.6	10.2
Balance as at 31 December 2025	383.3	10,710.9	543.2	11,637.4

Equity investments (33.6 million euro) increased by 5.6 million euro and reflect the 2i Rete Gas transaction, which brought to the Group the equity investment in Melegnano Energia Ambiente (3.5 million euro).

Financial receivables and securities instrumental to operations (303.8 million euro) include the financial receivable due from the Municipality of Rome, contractually provided for in the gas distribution concession and which became due following its expiry during the year (299.6 million euro).

Net working capital as at 31 December 2025 amounts to 396.4 million euro and is broken down as follows:

(€ million)	As of 31 December 2024	As of 31 December 2025	Abs. change
Trade receivables	523.9	921.0	397.0
Inventories	38.5	53.1	14.6
Net tax receivables (payables)	42.2	108.2	66.0
Other assets	250.0	333.0	83.0
Trade payables	(164.4)	(268.8)	(104.5)
Provisions for risks and charges	(67.2)	(103.0)	(35.8)
Tax payables	(89.5)	(32.4)	57.1
Other liabilities	(232.1)	(614.7)	(382.6)
	301.4	396.4	95.0

Net financial debt

(€ million)	As of 31 December 2024	As of 31 December 2025	Abs. change
Financial and bond debt	4,099.8	7,255.3	3,155.5
Short-term financial debt (*)	92.9	820.8	727.9
Long-term financial debt	3,971.6	6,363.2	2,391.6
Lease liabilities - IFRS 16 and IFRIC 12	35.3	71.4	36.0
Funding derivative contracts Cash flow Hedge	(1.6)	(1.3)	0.3
Financial receivables and cash and cash equivalents	(464.5)	(408.6)	55.9

Cash and cash equivalents	(6.5)	(12.6)	(6.1)
Financial receivables	(458.0)	(396.0)	62.0
Net financial debt	3,633.6	6,845.4	3,211.8
Lease liabilities - IFRS 16	35.3	71.4	36.0
Net financial debt (excluding the effects pursuant to IFRS 16)	3,598.3	6,774.0	3,175.8

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

Financial and bond debt as at 31 December 2025, amounting to 7,255.3 million euro (4,099.8 million euro as at 31 December 2024), relates to bonds (2,210.6 million euro), loan agreements concerning European Investment Bank (EIB) funding (315.9 million euro). Most of the financial debt is owed to the parent company Italgas S.p.A. As at 31 December 2025, liabilities under IFRS 16 amounted to 71.4 million euro.

Statement of comprehensive income

(€ million)	For the year ended 31 December 2024	For the year ended 31 December 2025
Profit	417.6	571.3
<i>Components that will not be reclassified to the income statement:</i>		
Actuarial gains (losses) from remeasurement of defined benefit plans for employees	(0.4)	(1.1)
Tax effect	0.1	0.3
Total other comprehensive income, net of tax effect	(0.3)	(0.7)
Total comprehensive income for the year	417.3	570.5
Attributable to:		
- Italgas	414.0	567.6
- Non-controlling interests	3.3	2.9

Reclassified Statement of Cash Flows

The reclassified statement of cash flows provided is the summary of the legally required cash flow statement. The reclassified statement of cash flows makes it possible to reconcile the change in cash and cash equivalents at the start and end of the period with the change in net financial debt at the start and end of the period. The measure which allows for the reconciliation between the two statements is the free cash flow²³, i.e. the cash surplus or deficit remaining after the financing of investments.

(€ million)	As of 31 December 2024	As of 31 December 2025
Profit	417.6	571.3
Correction:		
- Amortisation, depreciation and other non-monetary components	382.6	453.3
Net capital losses (capital gains) on asset sales and eliminations	3.9	3.4
- Interest and income taxes	196.4	357.5
Change in working capital due to operating activities	31.7	148.7
Dividends, interest and income taxes collected (paid)	(100.0)	(465.3)
Cash flow from operating activities	932.2	1,068.9
Technical investments	(599.9)	(754.3)
Other changes related to investing activity	23.7	(58.5)
Disinvestments and other changes	9.0	0.2
Free cash flow before Merger and Acquisition transactions	365.0	256.3
Companies included in the scope of consolidation	17.5	0.7
Net acquisition of business units, plant and other financial assets	(118.2)	
Free cash flow	264.3	257.0
Change in short- and long-term financial debt and financial receivables	172.6	163.7
Repayment of lease liabilities	(20.9)	(30.1)
Equity cash flow	(416.5)	(384.5)
Net cash flow for the year	(0.5)	6.1

²³ The free cash flow alternatively represents: (i) the change in cash for the period, after the addition/subtraction of cash flows relating to financial payables/receivables (usage/repayment of financial receivables/debt) and equity (payment of dividends/capital contributions); (ii) the change in net financial debt for the period, after the addition/subtraction of flows of debt relating to equity (payment of dividends/capital contributions).

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

Change in net financial debt

(€ million)	As of 31 December 2024	As of 31 December 2025
Free cash flow	264.3	257.0
Change due to equity investments, business units and assets		(3,044.0)
Increase in lease liabilities and fees	(26.3)	(42.7)
Equity cash flow	(416.5)	(384.5)
Other changes (difference between financial expense accounted for, and paid fair value of derivatives)		2.4
Change in net financial debt	(178.5)	(3,211.8)

The cash flow from operations amounted to 1,068.9 million euro and made it possible to fully finance the flow from net investments generating a free cash flow before M&A transactions of 256.3 million euro. After the effects deriving from the M&A transactions and the distribution of the dividend relating to the 2024 result, the increase in net financial debt amounted to 3,211.8 million euro, including the change related to lease liabilities.

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

The following table summarises the Company's economic performance in 2025 from a management perspective:

(€ million)	For the year ended 31 December 2024	For the year ended 31 December 2025	Abs. change	% Change
Gas distribution regulated revenue	1,207.2	1,712.8	505.6	41.9
Other revenues	21.4	19.6	(1.8)	(8.4)
Total revenues and other income (*)	1,228.6	1,732.4	503.8	41.0
<i>of which special items</i>	<i>38.5</i>	<i>(45.4)</i>	<i>(83.9)</i>	<i>-</i>
Total revenues and other income (*) adjusted	1,267.1	1,687.0	419.9	33.1
Operating costs (*)	(285.6)	(416.2)	(130.6)	45.7
<i>of which special items</i>	<i>-</i>	<i>36.0</i>	<i>36.0</i>	<i>-</i>
Adjusted operating costs (*)	(285.6)	(380.2)	(94.6)	33.1
EBITDA	943.0	1,316.2	373.2	39.6
EBITDA adjusted	981.5	1,306.8	325.3	33.1
Amortisation, depreciation and impairment	(354.9)	(411.5)	(56.6)	15.9
EBIT	588.1	904.7	316.6	53.8
EBIT adjusted	626.6	895.3	268.7	42.9
Net financial expense	(55.2)	(122.0)	(66.8)	-
<i>of which special items</i>	<i>-</i>	<i>5.7</i>	<i>5.7</i>	<i>-</i>
Adjusted net financial expense	(55.2)	(116.3)	(61.1)	-
Net income from equity investments	2.8	6.0	3.2	-
Profit before taxes	535.7	788.7	253.0	47.2
Adjusted Profit before taxes	574.2	785.0	210.8	36.7
Income taxes	(124.6)	(220.0)	(95.4)	76.6
<i>Taxation related to special items</i>	<i>(10.8)</i>	<i>1.3</i>	<i>12.1</i>	<i>-</i>
Adjusted income taxes	(135.4)	(218.7)	(83.3)	61.5
Profit	411.1	568.7	157.6	38.3
Adjusted net profit	438.8	566.3	127.5	29.0

(*) Unlike the legal statement, the reclassified income statement requires the listing of Total revenues and other income and Operating costs net of the impact of IFRIC 12 "Service concession agreements" (516.0 and 707.5 million euro respectively in 2024 and 2025), connection contributions (14.3 and 26.9 million euro respectively in 2024 and 2025), and other residual components (17.7 and 20.2 million euro respectively in 2024 and 2025).

The income components classed among special items²⁴ in 2025 referred to:

- the decrease of 48.6 million euro (with a tax effect of +13.6 million euro) for the recognition of higher unit costs recognised for tariff purposes for the years 2020-2024 (arising from the implementation of Resolution no. 87/2025/R/gas);
- the increase of 3.1 million euro (with a tax effect of -0.9 million euro) due to the non-recognition of capital costs in start-up locations starting from the 2018 financial year in which Italgas Reti did not reach the ceiling (re-delivery point density per km of network), arising from Resolution no. 704/2016/R/gas, supplemented by Resolution no. 525/2022/R/gas;
- the increase in costs relating to penalties for the difference between the gas injected into and gas collected from city gates arising from Resolution no. 386/2022/R/gas for the years 2020-2022, 2021-2023 and 2022-2024 equal to -8.2 million euro (with a tax effect of -2.3 million euro);
- the increase in costs related to the acquisition and integration of 2i Rete Gas and the costs associated with the disposals required by the Antitrust measure for a total of 29.4 million euro (including financial expenses, with a tax effect of -8.2 million euro);
- the increase in share-based payments deriving from the employee share ownership plan (IGrant Plan) and from the Co-investment Plan dedicated to the Group's managers for +4.1 million euro in operating costs (with a tax effect of -1.1 million euro).

TOTAL REVENUES AND OTHER INCOME

(€ million)	For the year ended 31 December 2024	For the year ended 31 December 2025	Abs. change	% Change
Distribution revenue	1,155.4	1,612.0	456.6	39.5
<i>of which special items</i>	<i>14.5</i>	<i>(45.4)</i>	<i>(59.9)</i>	<i>-</i>
Adjusted distribution revenue	1,169.9	1,566.6	396.7	33.9
Other distribution revenue	51.8	100.8	49.0	94.6
<i>of which special items</i>	<i>24.0</i>	<i>-</i>	<i>(24.0)</i>	<i>-</i>
Other adjusted distribution revenue	75.8	100.8	25.0	33.0
Total gas distribution regulated revenue	1,207.2	1,712.8	505.6	41.9
Total adjusted gas distribution regulated revenue	1,245.7	1,667.4	421.7	33.9
Other revenues	21.4	19.6	(1.8)	(8.4)
Total revenues and other income	1,228.6	1,732.4	503.8	41.0
Total revenues and other income adjusted	1,267.1	1,687.0	419.9	33.1

Total revenues and other income adjusted amounted to 1,687.0 million euro, up by 419.9 million euro compared to the corresponding period of 2024 (+33.1%), and refer to natural gas distribution regulated revenue (1,667.4 million euro) and other revenues (19.6 million euro).

Adjusted gas distribution regulated revenue increased by 421.7 million euro compared to the corresponding period of 2024, due to an increase in distribution revenue (+396.7 million euro) and in other distribution revenue (+25.0 million euro).

Distribution revenue increased by 396.7 million euro and include the new scope resulting from the incorporation of 2i Rete Gas. Despite the reduction in the reference WACC (-45.5 million euro), the item

²⁴ For the definition of special items, please refer to section 4.1.

increased as a result of the RAB, which also benefits from ARERA's revision of the criteria for the revaluation of capital costs²⁵, the change in the deflator and the impact in 2025 of Resolution no. 87/2025/R/gas.

Other revenues (18.8 million euro) decreased compared with the previous year by 1.8 million euro (-12.1%), mainly due to lower revenues from technical, IT and engineering assistance services provided to associated companies (-1.5 million euro) and lower other income (-0.3 million euro).

OPERATING COSTS

(€ million)	For the year ended 31 December 2024	For the year ended 31 December 2025	Abs. change	% Change
Fixed gas distribution costs	212.0	275.6	63.6	30.0
Net personnel costs	66.8	93.6	26.8	40.1
Net external costs	145.2	182.0	36.8	25.3
Other assets	0.3	0.6	0.3	-
Net personnel costs			-	-
Net external costs	0.3	0.6	0.3	-
Other costs and provisions	5.7	42.3	36.6	-
<i>of which special items</i>		36.0	36.0	-
Other adjusted costs and provisions		6.3	6.3	-
EEC	(0.1)	(3.4)	(3.3)	-
Concession-related expenses	67.7	101.1	33.4	49.3
Operating costs	285.6	416.2	130.6	45.7
Adjusted operating costs	285.6	380.2	94.6	33.1

Adjusted operating costs as at 31 December 2025 amounted to 380.2 million euro and reflect the new scope resulting from the incorporation of 2i Rete Gas. The increase of 94.6 million euro compared with 2024 is mainly due to higher concession charges (+33.4 million euro), personnel costs (+59.3 million euro) and external costs (+4.4 million euro), effects partially offset by lower provisions for Energy Efficiency Certificates (-3.3 million euro).

AMORTISATION, DEPRECIATION AND IMPAIRMENT

In the 2025 financial year, the Company recorded **adjusted amortisation, depreciation and impairment** of 411.7 million euro, broken down as follows:

(€ million)	For the year ended 31 December 2024	For the year ended 31 December 2025	Abs. change	% Change
Amortisation and depreciation	354.9	413.0	58.1	16.4
Intangible assets IFRIC 12	322.2	371.3	49.1	15.2
Other Intangible Assets	1.9	2.3	0.4	21.1
Property, plant and equipment	30.8	39.4	8.6	27.9
<i>of which, depreciation as per IFRS 16</i>	19.2	27.3	8.1	42.2
Impairment		(1.5)	(1.5)	-
Amortisation, depreciation and impairment	354.9	411.5	56.6	15.9

Amortisation, depreciation, and impairment (411.5 million euro) increased by 56.6 million euro compared with 2024, mainly due to the assets acquired from 2i Rete Gas and the investments made during the period, effects partially offset by the completion of the depreciation process for assets to be transferred free of charge relating to the Rome concession (expired in November 2024).

²⁵Previously also known as the "Deflator", Resolution no. 130/2025/R/com.

NET FINANCIAL EXPENSE

(€ million)	For the year ended 31 December 2024	For the year ended 31 December 2025	Abs. change	% Change
Expense (income) on short-term and long-term financial debt	58.5	122.4	63.9	-
<i>of which special items</i>		5.7	5.7	
Other net financial expense (income)	(3.3)	(0.4)	2.9	
Expenses (income) related to the discounting of environmental provisions and provisions for employee benefits	0.5	0.6		
Other net financial expense (income)	(3.8)	(1.0)	2.8	(73.7)
Net financial expense	55.2	122.0	66.8	-
Adjusted net financial expense	55.2	116.3	61.1	-

Adjusted net financial expense (116.3 million euro) increased by 61.1 million euro compared with the corresponding period of 2024, mainly due to higher financial expenses on borrowings from the parent company Italgas S.p.A. and the financial expenses on the loans relating to 2i Rete Gas.

Financial expenses related to financial debt (122.4 million euro) include financial expenses deriving from financial loans from the parent company Italgas S.p.A.

INCOME FROM EQUITY INVESTMENTS

Income from equity investments (6.0 million euro) increased by 3.2 million euro compared with the corresponding period of 2024 due to the dividend distributed by Medea S.p.A. and the fair value measurement of the company Reti Distribuzione S.r.l..

INCOME TAXES

(€ million)	For the year ended 31 December 2024	For the year ended 31 December 2025	Abs. change	% Change
Current taxes	132.5	250.4	117.9	89.0
Net deferred taxes	(7.9)	(30.4)	(22.5)	-
Income taxes	124.6	220.0	95.4	76.6
<i>Taxation related to special items</i>	<i>(10.8)</i>	<i>1.3</i>	<i>12.1</i>	<i>-</i>
Adjusted income taxes	135.4	218.7	83.3	61.5
Effective tax rate (%)	23.3%	27.9%		
Adjusted effective tax rate (%)	23.6%	27.9%		

Income taxes amounted to 220.0 million euro, up by 95.4 million euro compared with the corresponding figure for the previous year, essentially as a result of the higher pre-tax result for the period. **Adjusted** income taxes amounted to 218.7 million euro, up by 83.3 million euro compared with the same period in 2024.

The incidence of tax on the financial year pre-tax income (tax rate) was 27.9% (23.3% in 2024).

Reclassified Statement of Financial Position

The reclassified statement of financial position²⁶ aggregates the asset and liability values of the mandatory balance sheet published in the financial statements for the year just closed, reflecting the way the business

²⁶ For the reconciliation of this statement to the statutory format, see the following paragraph "Reconciliation between reclassified financial statements and the legally required financial statements".

operates, conventionally divided into the three main fundamental functions: investment, operations and financing.

With reference to the financial structure, **net invested capital** as at 31 December 2025 amounted to 11,672.4 million euro, up by 5,427.8 million euro compared with 31 December 2024.

(€ million)	As of 31 December 2024	Incorporation of 2i Rete Gas (100%)	Spin-off of the IT business unit in favour of Bludigit	Changes due to operations	As of 31 December 2025	Abs. change
Fixed capital (*)	5,993.5	5,047.9	(56.5)	116.4	11,101.3	5,107.8
Property, plant and equipment	289.9	53.3	(2.4)	34.1	374.9	85.0
Intangible assets	5,625.0	5,102.3	(42.4)	48.9	10,733.8	5,108.8
Equity investments	63.9	18.0	(11.7)	2.1	72.3	8.4
Financial receivables and securities instrumental to operations	299.8			1.8	301.6	1.8
Net payables for investing activity	(285.1)	(125.7)		29.5	(381.3)	(96.2)
Net working capital	291.5	122.2	7.5	(25.7)	395.5	104.0
Provisions for employee benefits	(40.4)	(25.5)	0.1	5.8	(60.0)	(19.6)
Assets/Liabilities held for sale and directly related liabilities				235.6	235.6	235.6
NET INVESTED CAPITAL	6,244.6	5,144.6	(48.9)	332.1	11,672.4	5,427.8
Equity	2,965.7	2,128.9	(48.8)	186.8	5,232.6	2,266.9
Net financial debt	3,278.9	3,015.7	(0.1)	145.3	6,439.8	3,160.9
FUNDING	6,244.6	5,144.6	(48.9)	332.1	11,672.4	5,427.8

FIXED CAPITAL

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

(€ million)	Property, plant and equipment	IFRIC 12 assets	Intangible assets	Total
Balance as at 31 December 2024	289.9	5,596.2	28.8	5,914.9
Additions	75.1	707.6	5.5	788.2
- of which IFRS 16	45.7			45.7
Amortisation, depreciation and impairment	(39.4)	(369.8)	(2.3)	(411.5)
- of which, amortisation and depreciation as per IFRS 16	(27.3)			(27.3)
Grants		(34.2)		(34.2)
Disposal	(2.1)	(31.0)		(33.1)
Reclassified other assets held for sale	(1.2)	(216.1)	(22.0)	(239.3)
Other changes	52.6	4,539.1	532.0	5,123.7
- 2i Rete Gas incorporation	53.3	4,537.4	564.9	5,155.6
- Spin-off of Bludigit	(2.4)		(42.4)	(44.8)
- Other reclassifications	1.7	1.7	9.5	12.9
Balance as at 31 December 2025	374.9	10,191.8	542.0	11,108.7

Equity investments amounted to 72.3 million euro, an increase of 8.4 million euro compared with the previous year, mainly due to the change in the valuation of the equity investment in Reti Distribuzione (2.1 million euro) and the acquisition of the equity investments in Cilento Reti Gas S.r.l. (2.6 million euro) and Melegnano Energia Ambiente S.r.l. (3.5 million euro) as a result of the incorporation of 2i Rete Gas S.p.A.

Financial receivables and securities instrumental to operations, amounting to 301.6 million euro, include the financial receivable due from the Municipality of Rome, contractually provided for in the gas distribution concession and which became due following its expiry during the year (299.6 million euro).

Net payables related to investments, amounting to 381.3 million euro, essentially relate to payables to suppliers for the maintenance, upgrading and extension of the distribution network.

WORKING CAPITAL

Net working capital (+395.5 million euro) comprises the following items:

(€ million)	As of 31 December 2024	Incorporation of 2i Rete Gas (100%)	Spin-off of the IT business unit in favour of Bludigit	Changes due to operations	As of 31 December 2025	Abs. change
Trade receivables	503.6	273.4	(0.2)	133.2	910.0	406.4
Tax assets	25.1	0.7		34.5	60.3	35.2
Inventories	37.1	15.9		(1.3)	51.7	14.6
Accruals and deferrals from regulated activities	145.1	54.0		(26.6)	172.5	27.4
Other FY assets	106.6	140.1	(3.1)	(82.4)	161.2	54.6
Fair value of derivative instruments	1.6			(0.3)	1.3	(0.3)
Provisions for risks and charges	(64.5)	(61.6)	0.2	25.2	(100.7)	(36.2)
Net prepaid and deferred tax assets (liabilities)	8.6	5.2	(0.6)	33.0	46.2	37.6
Trade payables	(149.6)	(115.4)	10.9	4.4	(249.7)	(100.1)
Tax payables	(93.6)	(30.2)		83.2	(40.6)	53.0
Other FY liabilities	(228.5)	(159.9)	0.3	(228.6)	(616.7)	(388.2)
	291.5	122.2	7.5	(25.7)	395.5	104.0

EQUITY

Equity as at 31 December 2025 amounted to 5,232.6 million euro, up by 2,266.9 million euro compared to 31 December 2024. This increase is mainly attributable to the incorporation of 2i Rete Gas (2,128.2 million euro) and the profit for the year of 568.7 million euro, effects partially offset by the spin-off of the IT business unit to Bludigit (48.8 million euro), by the distribution of profits for the 2024 financial year, amounting to 350.0 million euro following the resolution of the Ordinary Shareholders' Meeting of Italgas Reti of 22 April 2025, and by the distribution of an extraordinary dividend resolved by the Shareholders' Meeting on 18 December 2025 in favour of the parent company Italgas S.p.A. for 31.0 million euro.

NET FINANCIAL DEBT

Net financial debt is calculated as the balance of debt, liquid funds and financial commitments that are not instrumental to operations, such as securities and bank deposits. As at 31 December 2025, it amounted to 6,438.6 million euro, up by 3,160.9 million euro compared to 31 December 2024. Financial debt is owed to Italgas S.p.A. and to third parties and includes short-term and long-term debt (amounting to 811.0 and 6,014.2 million euro, respectively). Excluding the effects deriving from the application of IFRS 16, amounting to 67.4 million euro, the net financial debt came to 6,372.4 million euro.

(€ million)	As of 31 December 2024	As of 31 December 2025	Abs. change
Financial and bond debt	3,714.4	6,825.2	3,110.8
Short-term financial debt (*)	91.0	794.3	703.3
Long-term financial debt	3,591.2	5,963.5	2,372.3
Lease liabilities - IFRS 16	32.2	67.4	35.2
Financial receivables and cash and cash equivalents	(435.5)	(385.4)	50.1
Cash and cash equivalents	(4.3)	(11.2)	(6.9)
Financial receivables	(431.2)	(374.2)	57.0
Net financial debt	3,278.9	6,439.8	3,160.9
Lease liabilities - IFRS 16	32.2	67.4	35.2
Net financial debt (excluding the effects pursuant to IFRS 16)	3,246.7	6,372.4	3,125.7

The increase in net financial debt (+3,160.9 million euro) is attributable to higher long-term financial debt (+2,400.4 million euro), higher short-term financial debt (+710.4 million euro) and lower financial receivables (+57.0 million euro), effects partially offset by higher cash and cash equivalents (-6.9 million euro).

Financial liabilities are entirely owed to Italgas S.p.A. and are fully denominated in euro.

Reclassified Statement of Cash Flows

(€ million)	For the year ended 31 December 2024	For the year ended 31 December 2025
Profit	411.1	568.7
Correction:		
- Amortisation, depreciation and other non-monetary components	353.4	435.8
Net capital losses (capital gains) on asset sales and eliminations	2.1	3.4
- Interest and income taxes	179.8	342.0
Change in working capital due to operating activities	26.3	135.3
Dividends, interest and income taxes collected (paid)	(86.8)	(446.9)
Cash flow from operating activities	885.9	1,038.3
Technical investments	(541.5)	(737.0)
Other changes related to investing activity	2.0	(29.3)
Disinvestments and other changes	2.8	(1.9)
Free cash flow before Merger and Acquisition transactions	349.2	270.1
Companies included in the scope of consolidation		0.6
of which:		
cash and cash equivalents from companies in the scope of consolidation		0.6
Net acquisition of companies, plant and other financial assets	(47.3)	
Free cash flow	301.9	270.7
Change in short- and long-term financial debt and financial receivables	131.6	146.0
Repayment of lease liabilities	(19.1)	(28.8)
Equity cash flow	(415.0)	(381.0)
Other changes	-	
Net cash flow for the year	(0.6)	6.9

Change in net financial debt

(€ million)	As of 31 December 2024	As of 31 December 2025
Free cash flow	349.2	270.7
Change in financial debt from companies that joined the scope of consolidation		(2,993.5)
Change in IFRS 16 financial debt from companies that joined the scope of consolidation		(23.5)
Change due to the acquisition of equity investments and business units	(47.3)	
Increase in lease liabilities and fees	(12.7)	(40.7)
Equity cash flow	(415.0)	(381.0)
Other changes (Difference between interest accounted for, and paid fair value of derivatives)	(14.8)	7.1
Change in net financial debt	(140.6)	(3,160.9)

The net cash flow from operations amounted to 1,038.3 million euro and made it possible to fully finance the flow from investments generating a free cash flow before M&A transactions of 270.1 million euro. After the effects deriving from the M&A transactions and the distribution of the dividend relating to the 2024 result, the increase in net financial debt amounted to 3,160.9 million euro, including the change related to lease liabilities.

4.3 Non – GAAP Measures

Alternative performance measures

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

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

	or (b) events or transactions which are not representative of the normal course of business.
Adjusted Earnings per Share	Indicator of the profitability of the company's shares, calculated as the ratio between the net profit attributable to the Group and the total number of shares.
Alternative capital performance measures	Description
Net working capital	A capital indicator that expresses the capital employed in current and non-financial assets and liabilities. This is defined as the sum of the values relating to Trade receivables and payables, Inventories, Tax receivables and payables, Provisions for risks and charges, Prepaid taxes, Deferred tax liabilities and Other assets and liabilities.
Fixed capital	A capital indicator that expresses the total fixed assets. It is defined as the sum of the values relating to Items of Property, plant and equipment, Intangible assets net of Other liabilities relating to connection contributions, Equity investments and Net payables relating to investment activities.
Net invested capital	A capital indicator that expresses the investments made by the company in operations. This is defined as the sum of the values related to fixed capital, net working capital, provisions for employee benefits and assets held for sale and directly related liabilities.
Investments	They are calculated as the sum of investments in property, plant and equipment and investments in intangible assets.
Alternative financial performance measures	Description
Cash flow from operating activities	It represents the net cash flow from the operating activity of the mandatory schemes, excluding the effects deriving from the application of the IFRS 15 accounting standard (Other liabilities relating to connection contributions).
Free cash flow before Merger and Acquisition transactions	It represents the cash surplus or deficit remaining after the financing of investments, excluding the flow deriving from Merger and Acquisition transactions.
Free cash flow	It represents the cash surplus or deficit remaining after financing of the investments.
Net financial debt	Determined as the sum of current and non-current financial liabilities, net of cash and cash equivalents, current financial assets, for instance securities held for trading, and other current and non-current financial assets.

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

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

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

[Reconciliation between reclassified consolidated financial statements and the legally required financial statements](#)

RECLASSIFIED INCOME STATEMENT

(€ million)	Reference to the explanatory notes of the condensed consolidated interim financial statements	For the year ended 31 December 2024			For the year ended 31 December 2025		
		Figures from mandatory statements	Partial figures from mandatory statements	Figures from reclassified statements	Figures from mandatory statements	Partial figures from mandatory statements	Figures from reclassified statements
Revenues (from mandatory statements)		1,954.1			2,566.4		
- Revenues for construction and upgrading of distribution infrastructures IFRIC 12	(note 25)		(578.3)			(728.2)	
- Connection contribution uses	(note 25)		(14.3)			(27.0)	
- Repayments from third parties	(note 25)		(14.0)			(9.6)	
- Revenues from seconded personnel	(note 25)		(1.4)			(8.8)	
- Other	(note 25)		(16.5)			(14.1)	
Total revenues and other income (from reclassified statements)				1,329.6			1,778.8
Operating costs (from mandatory statements)		(949.6)			(1,202.8)		
- Revenues for construction and upgrading of distribution infrastructures IFRIC 12	(note 25)		578.3			728.2	
- Repayments from third parties	(note 25)		14.0			9.6	
- Revenues from seconded personnel	(note 25)		1.4			8.8	
- Impairment	(note 25)		11.1			18.0	
- Other	(note 25)		16.5			14.1	
Operating costs (from reclassified statements)				(328.2)			(424.2)
EBITDA				1,001.4			1,354.6
Amortisation, depreciation and impairment (from mandatory statements)		(391.5)			(436.8)		
- Connection contribution uses	(note 25)		14.3			27.0	
- Impairment	(note 25)		(11.1)			(18.0)	

- Use of metering provision		(note 28)			
Amortisation, depreciation and impairment (from reclassified statements)			(388.4)		(427.9)
EBIT	613.0		613.0	926.7	926.7
Net financial expense	(67.4)		(67.4)	(134.0)	(134.0)
Net income from equity investments	1.0		1.0	2.0	2.0
Profit before taxes	546.7		546.7	794.7	794.7
Income taxes	(129.1)		(129.1)	(223.5)	(223.5)
Profit (loss)	417.6		417.6	571.3	571.3

RECLASSIFIED STATEMENT OF FINANCIAL POSITION

(€ million)			As of 31 December 2024		As of 31 December 2025	
(Where not expressly indicated, the item is obtained directly from the legally-required statement)	Reference to the explanatory notes of the consolidated financial statements	Partial figures from mandatory statements	Figures from reclassified statements	Partial figures from mandatory statements	Figures from reclassified statements	
Fixed capital						
Property, plant and equipment			297.8		383.3	
Intangible assets, of which:			6,108.6		11,254.0	
- Intangible assets	(note 13)	6,530.7		12,310.3		
<i>from which to deduct Connection contributions</i>	(note 20)	(422.1)		(1,056.3)		
Equity investments			28.1		33.6	
Financial receivables and securities instrumental to operations			299.8		303.8	
Net payables relating to investment activity, composed of:			(328.8)		(396.9)	
- Trade and other payables (Payables for investment activities)	(note 18)	(334.1)		(401.2)		
- Trade receivables and other receivables (Receivables from investment/divestment activities)	(note 8)	5.3		4.3		
Total fixed capital (from reclassified statements)			6,405.4		11,577.8	
Net working capital						
Trade receivables			523.9		921.0	
Inventories			38.5		53.1	
Tax assets, composed of:			42.2		108.2	
- Current and non-current tax receivables/liabilities (non-current tax receivables)	(note 10)	12.7		21.6		
- Other current and non-current non-financial assets (Other current taxes)	(note 11)	2.5		3.6		
- Trade receivables and other receivables (IRES receivables for national tax Consolidation scheme)	(note 8)	9.6				
- Prepaid taxes	(note 23)		17.4		56.6	
- Reclassification to Tax Receivables for Super/Ecobonus Receivables	(note 11)	0.0		26.4		
Other assets, composed of:			250.1		333.0	
- Trade receivables and other receivables (Other receivables)	(note 8)	101.9		148.9		
- Other current and non-current non-financial assets	(note 11)	3.1		38.0		
- Reclassification to Tax Receivables for Super/Ecobonus Receivables	(note 11)	0.0		(26.4)		
- Other current and non-current non-financial assets (Other regulated activities)	(note 11)	145.1		172.5		
Trade payables			(164.4)		(268.8)	
Provisions for risks and charges			(67.2)		(103.0)	
Tax payables, composed of:			(89.5)		(32.4)	
- Current and non-current tax receivables/liabilities (Current tax liabilities)	(note 11)	(84.1)		(15.4)		
- Other current and non-current non-financial liabilities (Other tax liabilities)	(note 20)	(5.4)		(17.0)		
Other liabilities, composed of:			(232.2)		(614.7)	
- Trade and other payables (Other payables)	(note 18)	(221.0)		(574.3)		
- Other current and non-current non-financial liabilities	(note 20)	(11.2)		(40.4)		
Total net working capital (from reclassified statements)			301.4		396.4	
Provisions for employee benefits			(42.3)		(61.8)	
Assets held for sale:			4.9		236.4	
NET INVESTED CAPITAL			6,669.4		12,148.8	
Equity including non-controlling interests			(3,035.8)		(5,303.4)	
Net financial debt						
Financial and bond debt, composed of:			(4,099.8)		(7,255.3)	
- Non-current financial liabilities	(note 16)	(3,971.6)		(6,363.3)		
Net non-current financial liabilities, composed of:						
- Short-term portions of long-term financial debt	(note 16)	(103.7)		(813.2)		
- Short-term financial liabilities	(note 16)	10.8		(7.6)		
Other financial debt	(note 16)					
- Financial debt pursuant to IFRS 16	(note 16)	(35.3)		(71.4)		
Other current and non-current financial assets/liabilities, composed of:			1.6		1.3	
Current Cash flow hedge derivative financial instruments	(note 19)	1.1		0.8		
Non-current Cash flow hedge derivative financial instruments	(note 19)	0.5		0.5		
Financial receivables and cash and cash equivalents, composed of:			464.6		408.6	
Cash and cash equivalents			6.5		12.6	
Current financial assets, composed of:			458.1		396.0	
- Financial receivables non-instrumental to operations	(note 8)	458.1		396.0		
Total net financial debt (from reclassified statements)			(3,633.6)		(6,845.4)	
FUNDING			(6,669.4)		(12,148.8)	

RECLASSIFIED STATEMENT OF CASH FLOWS

(€ million)	For the year ended 31 December 2024		For the year ended 31 December 2025	
	Partial figures from mandatory statements	Figures from reclassified statements	Partial figures from mandatory statements	Figures from reclassified statements
Profit		417.6		571.3
Correction:				
Amortisation, depreciation and other non-monetary components:		382.7		453.3
- Amortisation and depreciation	402.5		456.4	
- Connection contributions - uses	(19.0)		-	
- Results from investments accounted for using the equity method	(1.1)		(2.2)	

- Stock grant	0.3		(0.9)	
Net capital losses (capital gains) on asset sales and eliminations		3.9		3.4
Interest, income taxes and other changes:		196.4		357.5
- Interest income	(8.4)		(8.9)	
- Interest expense	75.7		142.9	
- Income taxes	129.1		223.5	
Change in working capital due to operating activities:		31.7		148.7
- Inventories	20.4		2.0	
- Trade receivables and other receivables	(173.3)		(160.0)	
- Trade and other payables	22.8		(16.0)	
- Change to provisions for risks and charges	(18.4)		(26.2)	
- Other assets and liabilities	185.8		358.9	
from which to deduct Deferrals for connection contributions - uses	(19.0)		-	
- Change in provisions for employee benefits	(5.6)		(10.0)	
Dividends, interest and income taxes cashed in (paid):		(100.0)		(465.3)
- Interest income	7.2		5.4	
- Interest paid	(55.0)		(140.9)	
- Income taxes (paid) refunded	(52.2)		(329.8)	
Cash flow from operating activities		932.3		1,068.9
Technical investments:		(600.0)		(754.3)
- Property, plant and equipment	(22.4)		(30.2)	
- Intangible assets	(577.6)		(724.1)	
- Change in payables for investing activity		24.5		(62.4)
Disinvestments:		8.2		4.1
- Property, plant and equipment	-		3.0	
- Intangible assets	2.8		1.1	
- Sale of non-controlling interests	11.2		-	
- Securities	5.1		-	
- Change in payables for investing activity	(10.9)		-	
Free cash flow before M&A transactions		365.0		256.3
Change in scope of consolidation		17.5		0.7
- Price paid for equity	(31.4)		-	
- Cash and cash equivalents from companies in the scope of consolidation	65.7		0.7	
- Takeover of financial debt from companies that joined the scope of consolidation	(16.9)		-	
Acquisition of companies, plant and other financial assets		(47.3)		-
Sale of companies, plant and financial assets		(70.9)		-
Free cash flow		264.3		257.0
Change in financial debt:		172.6		163.7
- Change in short- and long-term financial debt	290.4		60.4	
- Cash and cash equivalents from companies in the scope of consolidation	(117.8)		103.3	
Reimbursements of lease liabilities		(20.9)		(30.1)
Equity cash flow		(416.5)		(384.5)
Cash flow for the year		(0.5)		6.1

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

RECLASSIFIED INCOME STATEMENT

(€ million)	Reference to the explanatory notes of the financial statements	For the year ended 31 December 2024			For the year ended 31 December 2025		
		Figures from mandatory statements	Partial figures from mandatory statements	Figures from reclassified statements	Figures from mandatory statements	Partial figures from mandatory statements	Figures from reclassified statements
Revenues (from mandatory statements)		1,776.6			2,487.0		
- Revenues for construction and upgrading of distribution infrastructures IFRIC 12	(note 25)		(516.0)			(707.5)	
- Connection contribution uses	(note 25)		(14.3)			(26.9)	
- Repayments from third parties	(note 25)		(16.0)			(11.0)	
- Revenues from seconded personnel	(note 25)		(1.7)			(9.2)	
Total revenues and other income (from reclassified statements)				1,228.6			1,732.4
Operating costs (from mandatory statements)		(830.4)			(1,161.9)		
- Revenues for construction and upgrading of distribution infrastructures IFRIC 12	(note 25)		516.0			707.5	
- Repayments from third parties	(note 25)		16.0			11.0	
- Revenues from seconded personnel	(note 25)		1.7			9.20	
- Impairment	(note 25)		11.1			18.0	
Operating costs (from reclassified statements)				(285.6)			(416.2)
EBITDA				943.0			1,316.2
Amortisation, depreciation and impairment (from mandatory statements)		(358.1)			(420.4)		
- Connection contribution uses	(note 25)		14.3			26.9	
- Impairment	(note 27)		(11.1)			(18.0)	
Amortisation, depreciation and impairment (from reclassified statements)				(354.9)			(411.5)
EBIT		588.1		588.1	904.7		904.7
Net financial expense		(55.2)		(55.2)	(122.0)		(122.0)
Net income from equity investments		2.8		2.8	6.0		6.0
Profit before taxes		535.7		672.8	788.7		788.7
Income taxes		(124.6)		(124.6)	(220.0)		(220.0)
Profit (loss)		411.1		411.1	568.7		568.7

RECLASSIFIED STATEMENT OF FINANCIAL POSITION

(€ million)	As of 31 December 2024			As of 31 December 2025	
(Where not expressly indicated, the item is obtained directly from the legally-required statement)	Reference to the explanatory notes of the financial statements	Partial figures from mandatory statements	Figures from reclassified statements	Partial figures from mandatory statements	Figures from reclassified statements
Fixed capital					
Property, plant and equipment			289.9		374.9
Intangible assets, of which:			5,625.0		10,733.8
- Intangible assets	(note 14)	6,045.2		11,787.9	
<i>from which to deduct Connection contributions</i>	(note 21)	(420.2)		(1,054.1)	
Equity investments			57.6		63.9
Non-current financial assets			6.3		8.4
Financial receivables and securities instrumental to operations			299.8		301.6
Net payables relating to investment activity, composed of:			(285.1)		(381.3)
- Trade and other payables (Payables for investment activities)	(note 20)	(290.4)		(385.6)	
- Trade receivables and other receivables (Receivables from investment/divestment activities)	(note 9)	5.3		4.3	
Total fixed capital (from reclassified statements)			5,993.5		11,101.3
Net working capital					
Trade receivables			503.6		910.0
Inventories			37.1		51.7
Tax assets, composed of:			25.1		60.3
- Current and non-current tax receivables/liabilities (non-current tax receivables)	(note 11)	1.0		14.6	
- Other current and non-current non-financial assets (Other current taxes)	(note 12)	19.6		17.2	
- Trade receivables and other receivables (IRES receivables for national tax Consolidation scheme)	(note 9)	4.5		28.5	
Other assets, composed of:			251.7		333.7
- Trade receivables and other receivables (Other receivables)	(note 9)	103.9		122.3	
- Other current and non-current non-financial assets	(note 12)	36.5		38.9	
- Other current and non-current non-financial assets (Other regulated activities)	(note 12)	111.3		172.5	
Fair value of derivative instruments			1.6		1.3
Trade payables			(149.6)		(249.7)
Provisions for risks and charges			(64.5)		(100.7)
Net prepaid/deferred tax assets/liabilities	(note 16)		8.6		46.2
Tax payables, composed of:			(93.6)		(40.6)
- Current and non-current tax receivables/liabilities (Current tax liabilities)	(note 12)	(17.6)		(18.6)	
- Other current tax assets/liabilities	(note 11)	(5.5)		(9.1)	
- Other current and non-current non-financial liabilities (Other tax liabilities)	(note 21)	(70.5)		(12.9)	
Other liabilities, composed of:			(217.4)		(576.4)
- Trade and other payables (Other payables)	(note 20)	(217.4)			
Accruals and deferrals from regulated activities			(11.1)		(40.3)
Total net working capital (from reclassified statements)			291.5		395.5
Provisions for employee benefits			(40.4)		(60.0)
Assets/liabilities held for sale:					234.4
NET INVESTED CAPITAL			6,244.6		11,671.2
Equity			2,965.7		5,232.6
Net financial debt					
Financial and bond debt, composed of:			3,714.4		6,824.0
- Non-current financial liabilities	(note 19)	3,613.8		6,013.2	
Net non-current financial liabilities, composed of:					
- Short-term financial liabilities	(note 19)	100.6		810.8	
Other financial debt	(note 19)				
Financial receivables and cash and cash equivalents, composed of:			(435.5)		(385.4)
Cash and cash equivalents			(4.3)		(11.2)
Current financial assets, composed of:			(431.2)		(374.2)
Financial receivables non-instrumental to operations	(note 8)	(431.2)		(374.2)	
Total net financial debt (from reclassified statements)			3,278.9		6,438.6
FUNDING			6,244.6		11,671.2

RECLASSIFIED STATEMENT OF CASH FLOWS

(€ million)	For the year ended 31 December 2024		For the year ended 31 December 2025	
	Partial figures from mandatory statements	Figures from reclassified statements	Partial figures from mandatory statements	Figures from reclassified statements
Profit		411.1		568.7
<i>Correction:</i>				
Amortisation, depreciation and other non-monetary components:		353.4		435.8
- Amortisation and depreciation	369.2		439.9	
- Connection contributions - uses	(14.3)			
- Stock grant	(1.5)		(4.1)	
Net capital losses (capital gains) on asset sales and eliminations		2.1		3.4
Interest, income taxes and other changes:		179.8		342.0
- Interest income	(6.3)		(8.8)	
- Interest expense	61.5		130.8	
- Income taxes	124.6		220.0	
Change in working capital due to operating activities:		26.2		135.3
- Inventories	17.1		1.9	
- Trade receivables and other receivables	(123.4)		(170.7)	
- Trade and other payables	18.6		(7.6)	
- Change to provisions for risks and charges	(16.7)		(23.6)	
- Other assets and liabilities	136.2		345.4	
- Change in provisions for employee benefits	(5.6)		(10.1)	
Dividends, interest and income taxes cashed in (paid):		(86.8)		(446.9)
- Dividends cashed in	1.6		3.8	
- Interest income	5.7		5.4	
- Interest paid	(43.4)		(133.4)	
- Income taxes (paid) refunded	(50.7)		(322.7)	
Cash flow from operating activities		885.8		1,038.3
Technical investments:		(539.5)		(769.3)

- Property, plant and equipment	(20.5)		(29.4)	
- Intangible assets	(521.0)		(707.6)	
- Change in payables for investing activity	2.0		(30.4)	
- Other changes			(1.9)	
Disinvestments:		2.9		1.1
- Property, plant and equipment	2.9		1.1	
Free cash flow before M&A transactions		349.2		270.1
Change in scope of consolidation		-		0.6
- Price paid for equity				
- Cash and cash equivalents from companies in the scope of consolidation			0.6	
Acquisition of companies, plant and other financial assets		(47.3)		
Free cash flow		301.9		270.7
Change in financial debt:		131.6		146.0
- Change in short- and long-term financial debt	131.6		47.7	
- Medium- to long-term financial receivables			98.3	
Reimbursements of lease liabilities		(19.1)		(28.8)
Equity cash flow		(415.0)		(381.0)
Cash flow for the year		(0.6)		6.9

4.4 Other information

Treasury shares

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

Related party transactions

Based on the current ownership structure of the parent company Italgas, the related parties of Italgas Reti, under paragraph 9 of IAS 24, include, in addition to directors, statutory auditors, key management personnel and associates and joint ventures of the Italgas Group, companies controlled (directly or indirectly) by CDP, including the shareholder Snam, and the Ministry of Economy and Finance (MEF).

Following the entry into force of Article 13, paragraph 1-bis, of Decree-Law No. 95/2025, as converted into Law No. 118/2025, and Article 1, paragraph 268, of the 2026 Budget Law, the Company amended its internal procedures in order to exclude a related-party relationship, for the purposes of the regulation of transactions with related parties pursuant to Article 2391-bis of the Italian Civil Code.

Recent legislation that has entered into force has established that no related-party relationships exist, for the purposes of Article 2391-bis of the Italian Civil Code, between public administrations that do not exercise direction and coordination powers and the companies in which they hold shareholdings, including indirectly.

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

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

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

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

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

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

Operating performance of subsidiaries

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

Branch offices

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

Research and development

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

Significant events after year end

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

Extraordinary transactions and area tenders

- To fulfil the commitments required by the Italian Antitrust relating to the acquisition of 2i Rete Gas, in January 2026 Italgas Reti established and registered six new companies with the Company Register, each with share capital of 10,000 euro, fully paid in: Azienda Gas Valle del Sacco S.r.l., BS Reti Gas S.r.l., Infrastrutture Reti Gas SPV 1 S.r.l., Infrastrutture Reti Gas SPV 2 S.r.l., Infrastrutture Reti Gas SPV 3 S.r.l. and Reti Padova S.r.l.
- On 15 January 2026, a new plant came into operation in Porto Tolle (RO), connecting the biomethane produced by Azienda Agricola Canella Giancarlo to the Italgas network.

Legal and Regulatory Framework

- With Order published on 27 January 2026, the Regional Administrative Court (TAR) of Friuli-Venezia Giulia rejected the precautionary request of Italgas Reti to suspend the tender notice for the concession of the gas distribution service in the Pordenone Area. The TAR ruled that the risks

highlighted by the company were non-existent and ruled out a serious and irreparable detriment, since the timing of the judgement would allow for a decision on the merits before the deadline for the submission of offers (3 June 2026). The public hearing to discuss the appeal has been scheduled for 10 March 2026.

- With Resolution no. 9/2026/R/gas, the Authority approved the amounts to cover the extra-costs associated with the extension of the verification obligations of metering instruments in the years 2018 and 2019 by distribution companies that filed separate annual accounts according to the ordinary accounting unbundling regime. The resolution also requires that CSEA settle the amounts recognised at the end of the regulatory period to the distribution companies, supplementing the limit on revenue allowed for covering metering service costs.
- On 20 February, the “Energy Decree” (Decree-Law No. 21 of 20 February 2026) was published in the Official Gazette, introducing a series of urgent measures aimed at containing energy costs in favour of households and businesses. The measures include the 2% increase to IRAP, applied to large operators in the energy sector, including gas distribution. This temporary “energy tax” measure was designed to gather useful resources to fund bonuses and discounts on bills.

Antitrust requirements

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

5. Legislative and regulatory framework

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

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

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

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

HIGHLIGHTS FIFTH REGULATION PERIOD (1/1/2020 TO 31/12/2027)

End of regulation period (tariffs)	31 December 2027			
Calculation of net invested capital recognised for regulatory purposes (RAB)	Local RAB: Historical cost revalued Centralised RAB: Parametric Method			
Remuneration of equity for regulatory purposes (WACC _{reg})	<ul style="list-style-type: none"> • 6.3%: 2020 and 2021 • 5.6%: 2022 and 2023 • 6.5%: 2024 • 5.9%: 2025 and 2026 			
Efficiency factor (X-factor)	Set by Resolution no. 570/2019/R/gas	Updated with Resolution no. 409/2023/R/gas	Updated with Resolution no. 87/2025/R/gas	Updated with Resolution no. 532/2025/R/gas (2026 and 2027)
	Operating costs A) distribution • 3.53% for large enterprises • 4.79% for medium-sized enterprises • 6.59% for small enterprises	Operating costs A) distribution • 3.39% for large enterprises • 4.62% for medium-sized enterprises • 6.46% for small enterprises	Operating costs A) distribution • 2.74% for large enterprises • 4.77% for medium-sized enterprises • 6.55% for small enterprises	Operating costs A) distribution • 0% for large enterprises • 0% for medium-sized enterprises • 0% for small enterprises
	B) metering: • 0%	B) metering: • unchanged	B) metering: • unchanged	B) metering: • unchanged
	C) marketing: • 1.57%	C) marketing: • unchanged	C) marketing: • unchanged	C) marketing: • 0%

The RAB of the companies currently included in the scope of consolidation, calculated by applying the criteria adopted by the Authority, with reference to investments made up to 31 December 2025, in the definition of the reference tariffs, is equal to approximately 13.7 billion euro.



- Resolution no. 570/2019/R/gas approved the tariff regulation of gas distribution and metering services for the fifth regulatory period 2020-2025 and Resolution no. 737/2022/R/gas approved the intra-period update of the tariff regulation of gas distribution and metering services, for the second half-period 2023-2025 of the current regulatory period. The regulatory period has been extended until the end of 2027 by Resolution no. 221/2025/R/gas.
- Resolution no. 614/2021/R/com approved the criteria for determining and updating the rate of return on invested capital for the infrastructural services of the electricity and gas sectors for the 2022-2027 period (TIWACC 2022-2027). The 2PWACC is split into two sub-periods, each lasting three years. Albeit maintaining a three-year update frequency of the parameters relating to the macroeconomic and fiscal context, the Authority introduced an annual update mechanism (at least for the first three-year period) for the macroeconomic variables, if the cumulative effect of the update of the parameters leads to a change in the WACC above a threshold of 50 bps (basis point spread).
- By way of Resolution no. 513/2024/R/com, the Authority approved the updating of the relevant parameters for the purposes of determining the rate of return on invested capital for the 2025-2027

sub-period, and the beta asset parameter, with reference to the infrastructure services of the electricity and gas sectors. With reference to the beta parameter, for the gas distribution sector only, the Authority deemed it appropriate to reduce the value to 0.41 (compared to 0.439 for the three-year period 2022-2024). The trigger mechanism was also confirmed for sub-period 2025-2027, reducing the trigger activation threshold set by Resolution no. 614/2021/R/com from 50 bps to 30 bps. For the gas distribution sector, the Resolution set the value of the WACC for the year 2025 at 5.9%.

- By way of Resolution no. 587/2024/R/gas, the Authority approved the mandatory tariffs for natural gas distribution, metering and marketing services for the year 2025. This Resolution also provides that, for the tariffs of the year 2025, the rate of change of the deflator of gross fixed investments, determined on the basis of the criteria in force, shall be set at 0.30%, and that any redetermination of the rate for the revaluation of capital costs as a result of the proceedings initiated with Resolution no. 339/2024/R/com may already take effect when determining the definitive reference tariffs for the year 2025, scheduled by 31 March 2026.
- With Resolution no. 221/2025/R/gas, the Authority initiated the procedure for the issuance of provisions on tariffs and the quality of gas distribution and metering services for the sixth regulatory period. It also approved the extension of the fifth regulatory period to cover the years 2026 and 2027, and initiated the procedure to assess the amendments to the TUDG necessary for extending the validity of the current regulatory framework for those years. With Resolution no. 532/2025/R/gas, the Authority defined the criteria for the extension of the fifth regulatory period until 2027. The main changes include the elimination of the X-factor applied to all recognised operating cost items, which will remain unchanged in real terms, the confirmation of the rules for supra-municipal networks and the reduction from 40 to 35 euro of the advance contribution for the inspection of large meters. The criteria for managing historical contributions and costs relating to smart meters are also confirmed, while the new categories of investments relating to biomethane will be defined by a subsequent resolution. For Sardinia, tariff alignment with the Southern Area also remains valid in 2026–2027. Finally, from 2027, tariffs will be updated using the Italian HICP index, based on the most recent data and forecasts of the Bank of Italy.
- With Resolution no. 87/2025/R/gas, the Authority approved the provisions for compliance with the rulings of the Council of State regarding tariffs for natural gas distribution and metering services, with particular reference to the determination of recognised operating costs for the 2020-2025 regulatory period, as per Resolution no. 570/2019/R/gas. Within the scope of the aforementioned resolution, ARERA postponed the re-determination of the reference tariffs for the gas distribution service for the years 2020, 2021, 2022 and 2023 to a subsequent Resolution no. 98/2025/R/gas, approved on 18 March 2025, and also established that the increase in operating costs for 2024 due to Resolution no. 87/2025/R/gas be incorporated into the final tariffs for 2024.
- With Resolution no. 130/2025/R/com, the Authority adopted provisions for the review of the criteria for the revaluation of the cost of capital for electricity and gas infrastructure services and defined the capital revaluation rates for the different services for the years 2024 and 2025.
- Italgas Reti challenged on additional grounds Resolution no. 513/2024/R/com through which the Authority, following an update for the 2025-2027 sub-period of the parameters common to all regulated services and following a review of the criteria for updating the β -asset (beta asset) parameter for all

regulated infrastructural services of the electricity and gas sectors, updated the WACC for the year 2025. The setting of a date for the hearing is currently pending.

- With its ruling of 16 June 2025, the same Regional Administrative Court (TAR) rejected the appeal lodged by Italgas Reti against Resolution no. 490/2024/R/gas, by which, following the inspections and audits previously carried out, the Authority cancelled the awards for all of Italgas Reti's plants, amounting to approximately 24 million euro, already recognised in the 2024 consolidated financial statements. At the same time, the Regional Administrative Court upheld Italgas Reti's appeal against Resolution no. 108/2024/S/gas, annulling the penalties imposed for failure to update the operating procedures in line with the current regulation and technical standards set out in the RQDG 2020–2025. ARERA has lodged an appeal with the Council of State against this part of the ruling, while Italgas Reti has appeared in those proceedings and, in turn, filed an appeal against the part of the ruling that rejected its appeal against Resolution no. 490/2024/R/gas. On 27 January 2026, the hearing for both appeals was held and the publication of the rulings is pending.
- On July 1, 2025, with Resolution no. 274/2025/R/gas, the Authority approved provisional reference tariffs for gas distribution and metering services for the year 2025.
- In a judgement published on 3 July 2025, the Lombardy Regional Administrative Court (TAR) partly rejected and partly declared inadmissible the appeals lodged by Italgas Reti seeking the annulment of the measures adopted by the Authority regarding applications for the recognition of costs related to natural gas metering services, concerning smart metering/remote management systems and data concentrators for the years 2017, 2018 and 2019, and for the years 2011–2016. In a judgement published on 14 July 2025, the Lombardy TAR also declared inadmissible the similar appeal filed by Toscana Energia. The unfavourable rulings mentioned above were appealed by Italgas Reti and Toscana Energia before the Council of State. For both appeals, the hearing was held on 27 January 2026 and the publication of the decisions is pending.
- On 8 July 2025, with Resolution no. 321/2025/R/gas, the Authority defined the new cap on the recognition of capital costs related to the distribution service in start-up locations, represented by a maximum threshold in terms of expenditure per served user (expressed at 2017 prices) equal to: i) 8,700 euro/re-delivery point, for mountain locations in climatic zone F, as per Article 23, paragraph 4-*bis*, of Legislative Decree no. 164/00, ii) 11,800 euro/re-delivery point, for former CIPE Resolution 5/2015 locations, as per Article 23, paragraph 4-*bis*, of Legislative Decree no. 164/00, and iii) 5,250 euro/re-delivery point, for other locations, other than those mentioned above.
- On 2 May 2025, Italgas Reti filed an appeal with the Regional Administrative Court (TAR) of Veneto for the annulment, subject to suspension, of the tender notice and its annexes, as well as all the documentation relating to the tender in the Vicenza 2 – North – East Territorial Area, and of any other act and/or measure preparatory to, consequent upon and/or in connection with it, with the hearing initially scheduled for 21 May 2025 for the precautionary judgement and subsequently for 8 October 2025 for the discussion on the merits. Following the submission of the appeal, the contracting authority suspended the tender in order to update the documentation, extending the deadline for the submission of bids to 2 July 2026. Following the publication of the updated documentation, an appeal on additional grounds was filed challenging, in particular, one of the sub-criteria for award relating to the technical

offer. The Regional Administrative Court (TAR) of Veneto scheduled the hearing for discussion for 15 April 2026.

- On 6 November 2025, Italgas Reti served notice of an appeal on ARERA against the ruling by which the Milan Regional Administrative Court had dismissed the appeal against Resolution no. 386/2022/R/gas concerning the “delta in-out” issue, declaring it inadmissible for lack of interest. At present, no hearing date has been set.
- On 22 December 2025, Italgas Reti S.p.A. was notified by the Italian Data Protection Authority of the initiation of proceedings pursuant to Article 166, paragraph 5, of the Personal Data Protection Code (Legislative Decree no. 196 of 30 June 2003, as amended by Legislative Decree no. 101/2018) and Article 12 of Regulation no. 1/2019 of the Authority. Investigations are currently ongoing.

6. Municipalities in concession and local tender areas²⁷

The following figure shows the presence of the Italgas Reti Group in Italy.

Following the merger by incorporation of 2i Rete Gas into Italgas Reti, which took place on 1 July 2025, the following operations were acquired:

- 2i Rete Gas: 2,204 Municipalities with active operations (including 1 municipality served exclusively by LPG);
- Cilento Reti Gas: 31 Municipalities in total, of which 11 have active operations and 20 are not yet supplied with natural gas.

As at 31 December 2025, as a result of the regulatory framework that provides for assigning the gas distribution service with tenders by territorial area (and not by individual municipality), 50 calls for tenders have been published. Of the 50 tender notices published to date:

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

On 12 November 2024, Italgas Reti signed with the Municipality of La Spezia the service contract for the award in concession of the public service of natural gas distribution in the territorial area of La Spezia. Subsequently, on 17 December 2024, the continuity and continuation report was signed, providing for the start of ATEM operations from 1 January 2025 and covering a total of 33 Municipalities, divided as follows:



²⁷ For more information on the regulation concerning the assignments of gas distribution service and the related call for tenders, please see the specific paragraph in the chapter "Legislative and regulatory framework".

- 29 Municipalities in which Italgas Reti confirms its presence;
- 4 Municipalities with no active operations, for which new gas network development is planned, as indicated in the network development plan submitted during the tender procedure.

On 11 March 2025, the Italian Competition Authority (AGCM) authorised the concentration transaction consisting of the acquisition of sole control of 2i Rete Gas by Italgas, subject to a series of divestiture and behavioural remedies. On 6 June 2025, Italgas published a notice for the sale of approximately 600 re-delivery points, corresponding to 20% of the total re-delivery points in 31 ATEMs, as well as a number of re-delivery points equal to those acquired from 2i Rete Gas in a further 4 ATEMs.

After receiving the bids, the Authority completed the positive assessment of the suitability of the following potential buyers: Ascopiave S.p.A., Erogasmet S.p.A., GP Infrastrutture S.r.l., and a temporary consortium (*Associazione Temporanea di Imprese*, ATI) consisting of Plures (formerly Alia Servizi Ambientali S.p.A.), Estra S.p.A. and Centria S.r.l.. The assets sold are located in twelve ATEMs (Bari 2, Barletta-Andria-Trani, Brescia 5, Campobasso, Frosinone 2, Massa Carrara, Padua 2 and 3, Pisa, Rome 5, Teramo and Viterbo), for a total of 247,000 re-delivery points, networks and service plants, the related personnel involved and the assets required for service management, for a total consideration of 253.1 million euro²⁸.

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

On 19 September 2025, Italgas Reti signed Service Contract Rep. no. 57 with the Municipality of Catanzaro for the award in concession of the public service of natural gas distribution in the Catanzaro–Crotone territorial area. On 20 October 2025, the continuity and continuation report was also signed for 78 of the 107 Municipalities in the ATEM, providing for the start of ATEM operations with effect from 1 November 2025.

²⁸ Price subject to possible post-closing adjustment (upward or downward) based on positive or negative differences.

7. Business Outlook

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

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

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

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

8. Consolidated Sustainability Statement

8.1 General information

ESRS 2 – General disclosures

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

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

With reference to 2i Rete Gas, the figures are reported from 1 July 2025, the effective date of the merger by incorporation into Italgas Reti.

In accordance with the recent regulatory changes on sustainability reporting introduced by Legislative Decree no. 125/2024 implementing the Corporate Sustainability Reporting Directive 2022/2464/EU (CSRD), Italgas Reti has prepared its Sustainability Statement for the first time in accordance with the requirements set out in the European Sustainability Reporting Standards (hereinafter "ESRS").

The Group has exercised the option not to present comparative data, in accordance with the applicable regulatory provisions²⁹.

Where relevant, the Statement includes also information on the value chain, described in SBM-1. Specifically, please refer to:

- ESRS 2 IRO-1 e ESRS 2 SMB-3;
- all Minimum Disclosure Requirements (MDRs) relating to the relevant impacts, in particular standards S2 and S3, which refer to value chain actors;
- the qualitative descriptions required by Disclosure Requirement (DR) E1-1 and E5-4, as well as the description of procured materials in DR E5-5, which show information related to the value chain;
- the data points that also include data related to value chain, representing GHG Scope 3 emissions³⁰, reported in DR E1-6.

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

The information partially subject to estimation includes Scope 3 emissions, data on input materials (see paragraphs E1-6, E5-4).

²⁹ The Group has not availed itself of the option to omit specific information relating to intellectual property, know-how or innovation; nor has it availed itself of the exemption from disclosing information concerning imminent developments or matters under negotiation, in accordance with Article 19a(3) and Article 29a(3) of Directive 2013/34/EU.

³⁰ For the latter, both direct and indirect calculation sources were used: 73% of Scope 3 emissions were calculated through direct access to consumption and emission data from suppliers, while the remaining 27% were calculated through a spend-based approach based on sectoral emission factors.

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

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

The Board of Directors of Italgas Reti S.p.A. currently in office consists of 5 Directors, including 1 executive Director (Mr Pier Lorenzo Dell'Orco, Chief Executive Officer) and 4 non-executive Directors, including the Chairperson. Below is the composition of the Board of Directors and the Board of Statutory Auditors.

Board of Directors

Criteria	Category	Number and % of Directors
Gender diversity	Female	2 (40%)
	Male	3 (60%)
Age diversity	46-52 years	2 (40%)
	53-60 years	3 (60%)
Seniority diversity	1st term	2 (40%)
	2nd term	3 (60%)
Independence requirements	Independent ³¹	2 (40%)
	Non-independent	3 (60%)
Geographical origin	Italy	5 (100%)

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

Criteria	Category	Number and % of Statutory Auditors
Gender diversity	Female	2 ³² (40%)
	Male	3 (60%)
Age diversity	46-52 years	1 (20%)
	53-60 years	4 (80%)
Seniority diversity	1st term	1 (20%)
	2nd term	3 (60%)
	3rd term	1 (20%)

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

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

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

³¹ 2 Directors qualified as independent in accordance with the independence requirements of the Corporate Governance Code (Article 2).

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

The composition of the Company's Board of Directors and Board of Statutory Auditors is defined in accordance with the Compliance Standard "Guidelines for the identification of governance and control systems, composition and appointment of the members of the corporate bodies of companies controlled by and in which Italgas S.p.A. holds equity investments", which aims to promote diversity in the composition of the administrative and control bodies of the companies controlled by and in which the Italgas Group holds equity investments with regard to aspects such as age, gender composition and educational and professional background. The above Guidelines define the reference criteria, the main roles and responsibilities for choosing the administration and control systems of subsidiaries and investees the composition of the administrative and control bodies, as well as for the appointment of their members. The Italgas Group, in fact, pursues the objective of ensuring equal gender representation in the administrative bodies of subsidiaries. Sustainability is the principle through which the Italgas Group enhances its business strategies; consequently, the Group's corporate governance system assigns a key role to corporate bodies in matters of sustainability. The supervision of impacts, risks and opportunities is delegated to several corporate bodies, each according to their respective responsibilities.

Italgas Reti is wholly controlled by Italgas which, as parent company exercising direction and coordination activities, defines the strategic guidelines, policies and objectives for the Italgas Group, including the strategy relating to sustainability objectives and impacts linked to climate change. The main staff departments of the parent company Italgas S.p.A. provide services to Italgas Reti under specific intra-group service agreements (e.g. Sustainability, Enterprise Risk Management, People departments).

Italgas Reti is the main subsidiary of the Italgas Group: with 4,313 employees out of a total of 6,343 (68%), it generates 81% of profits and manages a network of 137,879 km out of a total of 154,740 km (89%), as well as 74% of the gas distributed. Accordingly, the Company represents a central strategic actor in the sustainability strategy of the Italgas Group, making a decisive contribution to the achievement of the sustainability objectives set out in the Strategic Plan and the Sustainable Value Creation Plan of the Italgas Group.

The Board of Directors of Italgas Reti, among other things: (i) is responsible for the ordinary and extraordinary management of the Company; (ii) reviews and approves the Company's annual integrated report, half-year report and interim management reports, as well as the consolidated reports, which include sustainability reporting; (iii) defines, upon proposal of the Chief Executive Officer, the strategic guidelines and objectives of the Company, in compliance with the unbundling regulations; (iv) reviews and approves the Company's budget; (v) assesses the overall performance of operations, taking into particular consideration the information received from the delegated bodies; (vi) grants and revokes powers to the Chairman and the Chief Executive Officer, defining the limits and methods of their exercise; (vii) subject to approval by Italgas S.p.A. within the framework of direction and coordination activities, resolves, upon proposal of the Chief Executive Officer, on acquisitions, disposals, divestments, contributions of companies or business units (including rent and usufruct), concessions (excluding Area Tenders), assignments, real estate and/or equity investments above a certain threshold; (viii) resolves, upon proposal of the Chief Executive Officer, on transactions of the Company and its subsidiaries that have significant strategic, economic, asset and financial importance for the Company; (ix) defines the fundamental guidelines of the organisational, administrative and accounting structure of the Company and its subsidiaries and annually assesses the adequacy of the organisational, administrative and accounting structure of the Company and its subsidiaries.

The Chief Executive Officer is responsible for the management of the Company and has all powers not reserved to the Board of Directors or the Chairperson by law, the Articles of Association or resolution of the Board itself.

The Chief Executive Officer of Italgas Reti is part of the key management personnel of the Italgas Group and participates in the definition of the Group's sustainability strategy.

The Chief Executive Officer also participates in the Sustainability Business Review, a cross-functional internal managerial committee of the entire Italgas Group, chaired by the Chief Executive Officer of Italgas, in which a detailed assessment of the main environmental sustainability KPIs is carried out and the progress of the related initiatives is discussed on a monthly basis.

In addition, the Chief Executive Officer of Italgas Reti participates in the Innovation Committee, a cross-functional internal managerial committee of the entire Italgas Group, chaired by the Chief Executive Officer of the Group, which examines and evaluates initiatives aimed at improving operational efficiency, including those focused on increasing energy efficiency and reducing emissions, to which Italgas Reti makes a significant contribution within the Group.

In the management of sustainability Impacts, Risks and Opportunities (IROs), the Chief Executive Officer, as a member of the Executive Leadership Team of the parent company, supports the Chief Executive Officer of Italgas and is responsible for sustainability initiatives within the respective areas of competence.

On 29 October 2025, the Board of Directors of the Italgas Group approved the 2025-2031 Strategic Plan, which includes the 2025-2031 Sustainable Value Creation Plan. The sustainability targets were therefore approved in conjunction with the Strategic Plan, in which they are included, with a view to fully integrating business and sustainability, and extend to the entire Italgas Group. As part of the process for preparing the Strategic Plan 2025-2031, the Chief Executive Officer of Italgas Reti attended the meetings of the Board of Directors of the Italgas Group held on 27 June 2025, 10 October 2025 and 29 October 2025. In particular, at its meeting on 10 October 2025, the Board of Directors reviewed the ESG targets that the Italgas Group aims to achieve over the time frame of the 2025-2031 Strategic Plan.

In this context, the contribution of Italgas Reti and its corporate bodies is decisive for the achievement of the sustainability objectives of the Italgas Group set out in the Strategic Plan and in the Sustainable Value Creation Plan 2025-2031, most of which depend primarily on the activities of Italgas Reti.

Within the framework of sustainability governance, the Italgas Group Sustainable Value Creation Committee (SVCC) is a Board Committee that performs an advisory and consultative role for the Board of Directors of the Italgas Group with regard to the processes and activities that contribute to the company's sustainable development along the value chain, aimed at pursuing sustainable success and periodic non-financial reporting, coordinating with the Italgas Group Control and Risk and Related Party Transactions Committee in relation to the assessment by that Committee of the adequacy of periodic financial and non-financial information.

The CEO of the Italgas Group annually proposes the Strategic Plan (which includes updates to the Sustainable Value Creation Plan) for consideration by the SVCC and, subsequently, for approval by the BoD. The Sustainability Unit, part of the External Relations and Sustainability Department of Italgas S.p.A., oversees the definition of the Italgas Group's sustainability model and coordinates the input of the various company departments for the planning and execution of all sustainability initiatives (strategy, planning, reporting, stakeholder engagement and communication).

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

The incentive systems for the management of the Group are integrated and defined in accordance with the policies applicable to the entire Italgas Group. In particular, depending on the role held, participation may be provided for in the MBO plan, the Co-investment Plan and the LTI Plan of the Italgas Group. For employees, including Italgas Reti's CEO, who serve as members of the Independent Operator/Head of Compliance, there is a specific policy in relation to the short and long-term variable incentive plans, in order to ensure the neutrality of management of essential infrastructure, in accordance with the reference legislation, which does not envisage the allocation of shares, but rather the disbursement of all incentives in monetary form, in addition to specific objectives linked to the distribution scope only.

With reference to the short-term component, the incentive system provides for a card with individual objectives and/or objectives attributable to the specific business area. The performance objectives relating to the medium- to long-term incentive systems, in line with what is provided for at the level of the Italgas Group, are defined by the Board of Directors, upon proposal of the Appointments and Compensation Committee and having heard the opinion of the Board of Statutory Auditors. In particular, the performance targets are identified among the priorities for the business strategy, consistent with the provisions of the Strategic Plan and the Sustainable Value Creation Plan. The finalisation of the performance at the end of the vesting period is examined and approved by the Board of Directors, upon the proposal of the Appointments and Compensation Committee and after hearing the opinion of the Board of Statutory Auditors.

At the request of the Appointments and Compensation Committee, the process of assigning, monitoring and reporting on targets may involve other corporate bodies and departments, including the corporate management of People, Innovation & Transformation Department, Legal, Chief Financial Officer and External Relations and Sustainability Department, as well as the Sustainable Value Creation Committee on matters concerning sustainability.

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

Information on the characteristics of the incentive systems adopted by the Italgas Group, with which Italgas Reti complies, is provided in the first section of the Report on the Remuneration Policy and Compensation Paid³³ ("Remuneration Policy"), while information on the finalisation of performance targets at the end of the vesting period is provided in the second section. The Report on the Remuneration Policy and Compensation Paid is submitted annually to the Shareholders' Meeting for approval, which expresses its opinion, in accordance with current regulations, with a binding vote on the first section and an advisory vote on the second section.

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

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

- Reduction of CO₂ emissions - scope 1 and 2 compared with 2020 on a like-for-like basis (weight 10%);

³³<https://www.italgas.it/en/investors/governance/remuneration/>

- Energy efficiency (weight 10%) - reduction of net energy consumption compared with 2020 on a like-for-like basis.

The LTI Plan 2023–2025 for Independent Operators and/or the Compliance Officer also provides for an additional sustainability objective in place of the market-based objective provided for the broader managerial population, consisting in the implementation of digitisation projects of strategic relevance identified on the basis of the Strategic Plan and the Sustainable Value Creation Plan.

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

Statement on due diligence (GOV-4)

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

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

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

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

The sustainability reporting process falls within the scope of the Italgas Group’s Enterprise Risk Management (ERM) system, which manages business risks for all consolidated Italgas companies. The ERM methodology is based on international models such as the COSO Framework and ISO 31000, and is applied to all business risks, including sustainability risks. This method is described in detail in Section 2.2 “Risk Management”, in this document. In addition, in order to ensure the reliability, accuracy and timeliness of the information disclosed to shareholders and the market, sustainability reporting is supported by a Corporate Reporting Internal Control System (SCIS), adopted by the Italgas Group and its subsidiaries in accordance with the provisions of Article 154-bis of the Consolidated Law on Finance. The SCIS provides for scoping, identification and assessment of risks and controls (at corporate and process level, through risk assessment and monitoring activities) and related information flows (reporting), and also applies to the process of collecting and consolidating sustainability information for reporting purposes.

Within the scope of ERM, the main risk associated with the sustainability reporting process is the risk of incomplete or ineffective reporting. This risk has a “high” rating and is monitored on a half-yearly basis. Mitigation strategies include:

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

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

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

The Italgas Reti Group, which had 4,313 employees as at 31 December, (see the section “S1 – Own workforce”), operates in the gas distribution sector.

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

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

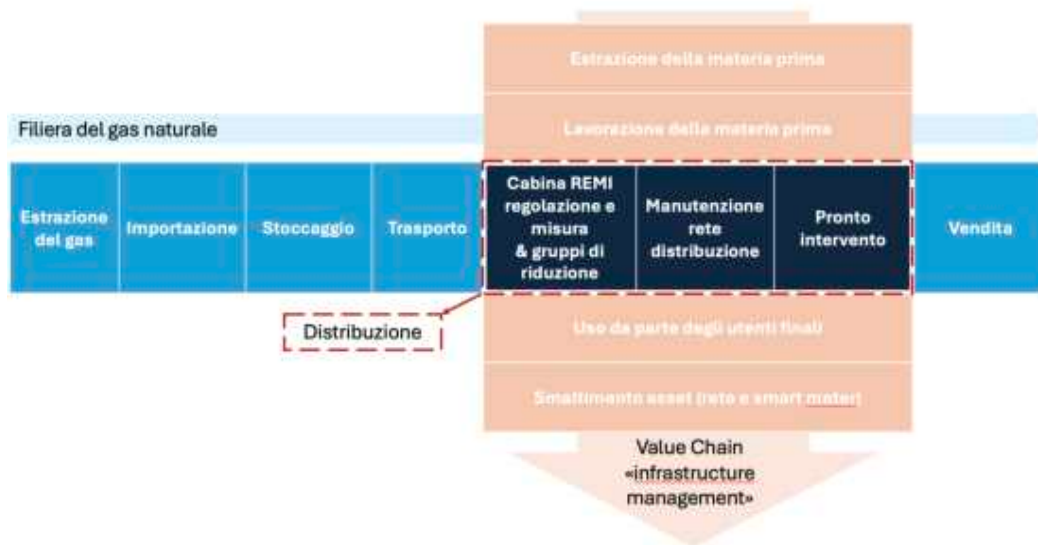
For an understanding of the Group's business model, refer to Note 34 “Information by operating segment” in the Consolidated Financial Statements.

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

the continuity, safety and efficiency of supply. The downstream phases refer to the use of the infrastructure in the territories under management and to the activities for the disposal of the network and smart meters.

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

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



The Italgas Group strategy is intrinsically linked to the sustainability issues relevant to the Italgas Reti Group:

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

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

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

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

With regard to green hydrogen, the Group commissioned Hyround in Sestu (Cagliari), a Power-to-Gas (P2G) plant that enables electricity from renewable sources to be converted into hydrogen through a water electrolysis process. Hyround covers the technological chain for the production of green hydrogen intended for urban environments. It is a pilot project that activates the entire value chain of this renewable gas, making a concrete contribution to the decarbonisation of the energy system and to the development of new industrial and territorial applications.

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

Interests and views of stakeholders (SBM-2)

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

The categories of stakeholders and their specific methods of engagement are listed below.

- Investors and lenders: Regular financial reports, conference calls, business plan presentations, shareholder meetings, physical and virtual meetings, corporate website, social networks;
- Suppliers: Dedicated meetings, conventions, information and training initiatives, thematic engagement activities;
- Customers and sales companies: Direct and ongoing relations, conventions, regular workshops, contact centres and customer portals, customer satisfaction surveys;
- Authorities and associations: Periodic meetings, workshops for debate and discussion of sustainability topics;
- Employees: Theme-based events and training, regular meetings, annual meetings, engagement projects, company climate analysis, company intranet;
- Communities and local areas: Meetings with representatives of local communities, associations and organisations, social and cultural initiatives.

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

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

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

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

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

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

The main IROs linked to environmental, social and governance issues for the Group's direct operations, as well as along the value chain, have been identified in a structured and systematic way, considering the different time horizons in which they are expected to be implemented.

These two parallel processes are closely interconnected: the ERM assessment of Risks and Opportunities of the parent company Italgas S.p.A. serves as input for the assessment of possible Impacts; at the same time, the updated list of impacts is again critically analysed by ERM in identifying possible Dependencies and Impacts as sources of potential Risks and/or Opportunities with financial effects, identifying possible alignments, synergies, contributions and possible trade-offs between Risks and Opportunities, and Impacts.

This process is closely integrated into the Italgas Group's ERM system, in line with international best practices and standards, such as the COSO Framework and ISO 31000; it has also been shared with company departments competent in the subject matter, and with the Italgas Group's Top Management, ensuring that the data collected is validated and a complete view of the impacts and risks is obtained. The process provides for the presentation and subsequent final approval of the results of the analysis by the Board of Directors of Italgas Reti.

Impact materiality

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

- Internal and external context analysis: verification of the Company's alignment with emerging themes and trends, through the assessment of the main sustainability frameworks (UNEP FI, SASB, MSCI and S&P) and the sustainability reporting of other actors, including at international level, in the sectors in which the Group operates, as well as through the analysis of the internal context.
- Stakeholder engagement activities: detailed analysis of the value chain through the engagement of suppliers representative of the main types of procurement required for the construction and maintenance of infrastructure and plants (upstream value chain), as well as for asset disposal activities

(downstream value chain). The consultation was structured to ensure broad and targeted involvement, enabling a thorough understanding of impacts along the value chain.

This activity made it possible to draw up a preliminary list of the impacts generated, which was then subjected to a validation process conducted by the Sustainability team in collaboration with the ERM Department and the Departments responsible for each impact area. The information collected during the interviews contributed to refining the overall list of impacts, strengthening its completeness and clarity.

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

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

Each of the three parameters is defined according to scales of five levels, which allow for a total severity assessment (also divided into five levels). In the case of positive impacts, irremediability is not a parameter considered in the assessment. In the case of potential impacts, materiality is determined on the basis of a further parameter, namely the likelihood of an impact to occur (also determined on a five-level scale). The Impacts of material relevance that have been assigned a severity and likelihood rating above the predetermined materiality threshold determine the sustainability issues to be reported in accordance with the ESRS³⁴.

Financial materiality

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

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

³⁴ The impacts considered relevant are those identified as “relevant” or “critical”.

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

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

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

Impact materiality: Sustainability impacts

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

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

Financial materiality: Sustainability Risks and Opportunities

Standard	Risk / Opportunity	Probability	Impact	Time Frame	Description of the Effects	Current financial effects	Expected financial effects	Positioning in the Value Chain	Management actions
E1	Risk of weakening of the weight of gas as an energy carrier for the residential segment	Possible	High	Long	Under a scenario of greater electrification of consumption (e.g. ENTSOE-ENTSOE Distributed Energy and Global scenarios), there could be a long-term decline in the use of gas (natural gas, biomethane and hydrogen) in the residential segment. Such scenarios are influenced by: the time required to reach grid parity	With regard to current effects, no current impacts of the risk have emerged in the financial materiality assessment.	Marginal negative impact on the Group's revenues, given the current regulatory mechanism which, in Italy, provides for a revenue component that is parametric and dependent on the number	Direct Group Operations – End-user use	Adherence to the United Nations Global Compact and to UNEP's OGMP 2.0. - Active participation in consultations called by the Italian government or by European community organisations

					<p>between conventional sources and renewable energy; the development of renewable gas production; incentives for renewable fuels; the upgrading of infrastructure; and new technological solutions available for civil use.</p> <p>Energy efficiency improvements and good consumption practices may not be sufficient to offset the decline in gas volumes projected in these scenarios. In such a worst-case scenario, the long-term impact for the Group would be a decrease in the net activation of new re-delivery points in the residential sector.</p>		<p>of re-delivery points managed by the Group.</p>		<p>ons on relevant topics and in the activities of European sector associations.</p> <ul style="list-style-type: none"> - Conversion of the network into digital infrastructure to enable the distribution of gas other than methane. - Development and Adoption of Nimbus, the new generation smart meter. - Development of power-to-gas technology. - Group's presence in the energy efficiency sector through Geoside and in the water business through Nepta, with prospects for growth.
E1	<p>Opportunities to enable the use of renewable gas in order to meet residential demand</p>	Likely	Maximum	Medium	<p>Gas distribution infrastructure plays a key role in decarbonisation. In this context, the Group's commitment to digitisation represents a key step towards: i) accelerating the distribution of renewable gases; ii) reducing the Group's carbon</p>	<p>With reference to the current effects, no current impacts emerged as part of the financial materiality assessment of the opportunity</p>	<p>The investments planned for metering and for the repurposing of the network, given the current regulatory mechanism, are</p>	<p>Direct Group Operations</p>	<ul style="list-style-type: none"> - Development of power-to-gas technology. - Assessment of the adequacy of networks and facilities and measure

					<p>footprint; and iii) making the network more reliable and capable of adapting to the impacts of climate change. In particular, the Strategic Plan provides for investments in metering and the repurposing of the network to increase its flexibility and ensure the connections required for the distribution of biomethane and hydrogen. These actions generate medium- to long-term impacts that contribute to climate change mitigation and adaptation in the areas where Italgas operates.</p>	<p>ty (the effects are medium-long term impacts that will contribute to climate change mitigation and adaptation in the Group's areas of operation).</p>	<p>subject to remuneration and therefore contribute to generating value for the Group.</p>		<p>s aimed at enabling the distribution of gases other than methane.</p> <ul style="list-style-type: none"> - Process of converting the network into digital infrastructure to enable the distribution of gas other than methane. - Development and adoption of Nimbus, the new generation smart meter.
G1	<p>Risk of commission of offences to the advantage of the body / related to the organisational model referred to in Legislative Decree no. 231/2001</p>	Remote	Maximum	Short	<p>According to Legislative Decree no. 231 of 2001 ("Decree 231"), the Italgas Group is subject to liability in the event of alleged offences committed, including abroad, in its interest or to its advantage, by individuals holding representative, administrative, or managerial functions, as well as by individuals under the direction or supervision of any such persons. Although the Italgas Group, of which the Italgas Reti Group forms part, has measures in place to prevent and mitigate possible risks of non-compliance, the Italgas Reti Group would, in the event of</p>	<p>With regard to current effects, no current impacts of the risk have emerged in the financial materiality assessment.</p>	<p>Possible sanctions include pecuniary penalties, disqualification measures, as well as confiscation of the proceeds of the offence and publication of the conviction in the event that a disqualification measure is applied.</p>	Direct Group Operations	<ul style="list-style-type: none"> - Internal control and risk management system and areas of responsibility defined in terms of compliance. - Code of Ethics, Model 231, Policy for the prevention of and fight against corruption, ISO 37001 anti-bribery certification. - Monitoring, analysis, distribution and implementation of legislative

					conviction, be subject to the sanctions provided for by law.				measures on topics of interest for the Italgas Group and verification of correct implementation. - Training for personnel on compliance issues. - Analysis and monitoring of the reputational requirements of the Italgas Group's counterparties. - "Supplier Code of Ethics".
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Disclosure Requirement	Page	Information derived from other EU legislative acts
ESRS 2		
BP-1	59-60	
BP-2	59-60	
GOV-1	60 to 62	Gender diversity in the board, paragraph 21, letter d) SFDR Annex I, Table 1, Indicator No. 13 Regulation on Benchmarks - Commission Delegated Regulation (EU) 2020/1816, Annex II
		Percentage of independent members of the board of directors, paragraph 21, letter e) Regulation on Benchmarks - Commission Delegated Regulation (EU) 2020/1816, Annex II
GOV-2	60 to 62	
GOV-3	63-64	
GOV-4	64	Due diligence statement, paragraph 30 SFDR - Annex I, Table 3, Indicator No. 10
GOV-5	64-65	
SBM-1	65 to 67	Involvement in activities related to fossil fuels, paragraph 40, letter d), point i) SFDR - Annex I, Table 1, Indicator No. 4 Third pillar - Article 449-bis of Regulation (EU) No. 575/2013; Commission Implementing Regulation (EU) 2022/2453, Table 1 – Qualitative information on environmental risk and Table 2 – Qualitative information on social risk Regulation on Benchmarks - Commission Delegated Regulation (EU) 2020/1816, Annex II
		Involvement in activities related to the production of chemicals, paragraph 40, letter d), point ii) SFDR - Annex I, Table 2, Indicator No. 9 Regulation on Benchmarks - Commission Delegated Regulation (EU) 2020/1816, Annex II

		Participation in activities connected to controversial weapons, paragraph 40, letter d), point iii) SFDR - Annex I, Table 1, Indicator No. 14 Regulation on Benchmarks - Article 12, paragraph 1, of Delegated Regulation (EU) 2020/1818 and Annex II of Delegated Regulation (EU) 2020/1816
		Involvement in activities related to tobacco cultivation and production, paragraph 40, letter d), point iv) Regulation on Benchmarks - Article 12, paragraph 1, of Delegated Regulation (EU) 2020/1818 and Annex II of Delegated Regulation (EU) 2020/1816
SBM-2	67	
SBM-3	68	
IRO-1	68	
IRO-2	69	
E1		
E1-1	90-91	Transition plan to achieve climate neutrality by 2050, paragraph 14 EU Climate Regulation - Article 2, paragraph 1, of Regulation (EU) 2021/1119
		Companies excluded from benchmarks aligned with the Paris Agreement, paragraph 16, letter g) Third pillar - Article 449-bis of Regulation (EU) No. 575/2013; Commission Implementing Regulation (EU) 2022/2453, Model 1: Banking portfolio – Indicators of potential transition risk related to climate change: Credit quality of exposures by sector, emissions, and remaining maturity Regulation on Benchmarks - Article 12, paragraph 1, letters d to g, and paragraph 2, of Delegated Regulation (EU) 2020/1818
ESRS 2- GOV-3	90-91	
ESRS 2 SBM-3	91 to 94	
ESRS 2 IRO-1	91 to 94	
E1-2	94	
MDR-P	94	
MDR-A	94 to 97	
E1-3	94 to 97	
MDR-T	97	
E1-4	97	GHG reduction targets, paragraph 34 SFDR - Annex I, Table 2, Indicator No. 4 Third pillar - Article 449-bis of Regulation (EU) No. 575/2013; Commission Implementing Regulation (EU) 2022/2453, Model 3: Banking portfolio – Indicators of potential transition risk related to climate change: Alignment metrics Regulation on Benchmarks - Article 6 of Delegated Regulation (EU) 2020/1818
E1-5	98-99	Energy consumption from fossil fuels disaggregated by source (only high climate impact sectors), paragraph 38 SFDR - Annex I, Table 1, Indicator No. 5 and Annex I, Table 2, Indicator No. 5
		Energy consumption and energy mix, paragraph 37 SFDR - Annex I, Table 1, Indicator No. 5
		Energy intensity associated with activities in high climate impact sectors, paragraphs 40 to 43 SFDR - Annex I, Table 1, Indicator No. 6
E1-6	99-100	Gross emissions Scope 1, 2, 3 and total GHG emissions, paragraph 44 SFDR - Annex I, Table 1, Indicators No. 1 and 2 Third pillar - Article 449-bis of Regulation (EU) No. 575/2013; Commission Implementing Regulation (EU) 2022/2453, Model 1: Banking portfolio – Indicators of potential transition risk related to climate change: Credit quality of exposures by sector, emissions, and remaining maturity Regulation on Benchmarks - Article 5, paragraph 1, Article 6, and Article 8, paragraph 1, of Delegated Regulation (EU) 2020/1818
		Gross GHG emission intensity, paragraphs 53 to 55 SFDR - Annex I, Table 1, Indicator No. 3 Third pillar - Article 449-bis of Regulation (EU) No. 575/2013; Commission Implementing Regulation (EU) 2022/2453, Model 3: Banking portfolio – Indicators of potential transition risk related to climate change: Alignment metrics Regulation on Benchmarks - Article 8, paragraph 1, of Delegated Regulation (EU) 2020/1818
E1-7	100	GHG absorptions and carbon credits, paragraph 56 EU Climate Regulation - Article 2, paragraph 1, of Regulation (EU) 2021/1119
E1-8	100	
E1-9	Phase-in	
E2	No material	

E3	No material	
E4	No material	
E5		
IRO-1	101	
MDR-P	101	
E5-1	101-102	
MDR-A	102-103	
MDR-M	102-103	
MDR-T	102-103	
E5-2	103	
E5-3	103	
E5-4	103-104	
E5-5	104-105	Non-recycled waste, paragraph 37, letter d) SFDR - Annex I, Table 2, Indicator No. 13 Hazardous and radioactive waste, paragraph 39 SFDR - Annex I, Table 1, Indicator No. 9
E5-6	No material	
S1		
ESRS 2 SBM-2	105	
ESRS 2 SBM-3	105 to 107	Risk of forced labor, paragraph 14, letter f) SFDR - Annex I, Table 3, Indicator No. 13 Risk of child labor, paragraph 14, letter g) SFDR - Annex I, Table 3, Indicator No. 12
S1-1	107-108	Political commitments on human rights, paragraph 20 SFDR - Annex I, Table 3, Indicator No. 9 and Annex I, Table 1, Indicator No. 11 Policies regarding due diligence on issues covered by the fundamental conventions 1 to 8 of the International Labour Organization, paragraph 21 Regulation on Benchmarks - Commission Delegated Regulation (EU) 2020/1816, Annex II Procedures and measures to prevent human trafficking, paragraph 22 SFDR - Annex I, Table 3, Indicator No. 11 Policy for the prevention or management of workplace accidents, paragraph 23 SFDR - Annex I, Table 3, Indicator No. 1
MDR-P	107-108	
S1-2	108	
S1-3	109	Complaint/grievance mechanisms, paragraph 32, letter c) SFDR - Annex I, Table 3, Indicator No. 5
S1-4	109 to 112	
S1-5	112-113	
MDR-T	112-113	
MDR-M	112-113	
S1-6	113-114	
S1-7	114	
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S1-11	117	
S1-12	117	
S1-13	117-118	
S1-14	118	Number of deaths and number and rate of work-related injuries, paragraph 88, letters b) and c) SFDR - Annex I, Table 3, Indicator No. 2 Regulation on Benchmarks - Commission Delegated Regulation (EU) 2020/1816, Annex II Number of lost days due to injuries, fatal accidents, or illnesses, paragraph 88, letter e) SFDR - Annex I, Table 3, Indicator No. 3
S1-15	118-119	

S1-16	119	Unadjusted gender pay gap, paragraph 97, letter a) SFDR - Annex I, Table 1, Indicator No. 12 Regulation on Benchmarks - Commission Delegated Regulation (EU) 2020/1816, Annex II
		Excessive gender pay gap in favor of the CEO, paragraph 97, letter b) SFDR - Annex I, Table 3, Indicator No. 8
S1-17	119-120	Discrimination-related incidents, paragraph 103, letter a) SFDR - Annex I, Table 3, Indicator No. 7
		Failure to comply with the UN Guiding Principles on Business and Human Rights and OECD guidelines, paragraph 104, letter a) SFDR - Annex I, Table 1, Indicator No. 10 and Annex I, Table 3, Indicator No. 14 Regulation on Benchmarks - Annex II of Commission Delegated Regulation (EU) 2020/1816 and Article 12, paragraph 1, of Commission Delegated Regulation (EU) 2020/1818
S2		
ESRS 2 - SBM-2	120	
ESRS 2 - SBM-3	120-121	Severe risk of child or forced labor in the labor chain, paragraph 11, letter b) SFDR - Annex I, Table 3, Indicators No. 12 and 13
S2-1	121-122	Political commitments on human rights, paragraph 17 SFDR - Annex I, Table 3, Indicator No. 9 and Annex I, Table 1, Indicator No. 11
		Policies related to workers in the value chain, paragraph 18 SFDR - Annex I, Table 3, Indicators No. 11 and 4
		Failure to comply with the UN Guiding Principles on Business and Human Rights and OECD guidelines, paragraph 19 SFDR - Annex I, Table 1, Indicator No. 10 Regulation on Benchmarks - Annex II of Commission Delegated Regulation (EU) 2020/1816 and Article 12, paragraph 1, of Commission Delegated Regulation (EU) 2020/1818
		Policies regarding due diligence on issues covered by the fundamental conventions 1 to 8 of the International Labour Organization, paragraph 19 Regulation on Benchmarks - Commission Delegated Regulation (EU) 2020/1816, Annex II
MDR-P	121-122	
S2-2	122-123	
S2-3	123	
S2-4	123-124	Issues and incidents related to human rights in its upstream and downstream value chain, paragraph 36 SFDR - Annex I, Table 3, Indicator No. 14
S2-5	124-125	
MDR-T	124-125	
MDR-M	124-125	
S3		
ESRS 2 SBM-2	125	
ESRS 2 SBM-3	125	
S3-1	125-126	Political commitments on human rights, paragraph 16 SFDR - Annex I, Table 3, Indicator No. 9 and Annex I, Table 1, Indicator No. 11
		Non-compliance with the UN Guiding Principles on Business and Human Rights, the ILO principles, or the OECD Guidelines, paragraph 17 SFDR - Annex I, Table 1, Indicator No. 10 Regulation on Benchmarking - Annex II of Commission Delegated Regulation (EU) 2020/1816 and Article 12, Paragraph 1, of Commission Delegated Regulation (EU) 2020/1818
MDR-P	125-126	
S3-2	126-127	
S3-3	127	
S3-4	127-129	Human rights issues and incidents, paragraph 36 SFDR - Annex I, Table 3, Indicator No. 14
MDR-A	127-129	
S3-5	129-130	
MDR-M	129-130	
MDR-T	129-130	
S4	No material	
G1		

ESRS 2 GOV-1	130-131	
ESRS 2 IRO-1	131	
G1-1	131 to 133	UN Convention Against Corruption, paragraph 10, letter b) SFDR - Annex I, Table 3, Indicator No. 15
		Whistleblower protection, paragraph 10, letter d) SFDR - Annex I, Table 3, Indicator No. 6
MDR-P	131 to 133	
G1-2	133-134	
G1-3	133	
G1-4	134	Fines imposed for violations of active and passive corruption laws, paragraph 24, letter a) SFDR - Annex I, Table 3, Indicator No. 17 Regulation on Benchmarking - Annex II of Commission Delegated Regulation (EU) 2020/1816
		Rules on fighting active and passive corruption, paragraph 24, letter b) SFDR - Annex I, Table 3, Indicator No. 16
G1-5	134-135	
G1-6	135	
MDR-A	135	
MDR-M	135	
MDR-T	135	

Italgas Group Policies

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

E1	<ul style="list-style-type: none"> Climate change policy
E5	<ul style="list-style-type: none"> HSEQE Policy (Health, Safety, Environment, Quality, Energy Efficiency)
S1	<ul style="list-style-type: none"> Human rights policy Policy on Labour Rights and Employment Practices Diversity, Gender Equality and Inclusion Policy HSEQE Policy (Health, Safety, Environment, Quality, Energy Efficiency) Code of Ethics
S2	<ul style="list-style-type: none"> Human rights policy Supplier Code of Ethics
S3	<ul style="list-style-type: none"> Climate change policy Human rights policy
G1	<ul style="list-style-type: none"> Code of Ethics Corporate Compliance

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

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

The Policies are disseminated through internal and external communication channels, such as the corporate intranet and the website, and are supported by training initiatives, awareness-raising activities and consultation

with employees to gather feedback and promote continuous improvement. These opportunities for dialogue allow their opinions to be integrated into the decision-making process and strengthen their sense of belonging.

8.2 Environmental information

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

EUROPEAN TAXONOMY

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

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

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

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

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

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

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

The Italgas Reti Group is subject to the provisions of Taxonomy Regulation 852/2020 from 2025 onwards; consequently, it has calculated its alignment for the first time with reference to that financial year; Consequently, it has not reported comparative data for the previous year (in line with Q&A number 146 of the Draft Commission Note of 29 November 2024).

Main assumptions

To define the share of revenues, operating expenses and capital expenditure deriving from activities that are eligible or aligned with the taxonomy; Italgas Reti Group used EU Delegated Regulations 2021/2139, 2021/2178, 2023/2485 and 2023/2486 that supplemented Regulation 2020/852, the Italgas Reti Group has defined its own reporting criteria. As a result, the resulting values, expressing the best assumptions presently available for the Italgas Reti Group, could be subject to future updates in view of changes or updates of the internal assessment, the reference regulations or the emergence of new shared standards or changes in the scope of some of the activities carried out.

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

Methodology

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

Where an activity can be considered both in light of climate mitigation and climate adaptation, the main aim for which this activity was implemented and the prevailing impacts were assessed, thereby guaranteeing no duplication of data. In general, it was found that the Italgas Reti Group activities considered meet the climate mitigation objective. Compliance with technical screening criteria, DNSH (Do No Significant Harm to the environment criteria) and compliance with the minimum safeguard were assessed to determine which eligible assets were also sold according to the Taxonomy.

The Italgas Reti Group carries out the gas distribution activity and therefore acts to create the best possible conditions to ensure that its network is "enabled" for the distribution of hydrogen and/or other renewable gases. It is not, however, responsible for the production of such gases nor for the definition of the blending thresholds, which are the responsibility of other parties. In considering the activities, it was assessed how far the Italgas Reti Group can act to facilitate and make possible, within the plan horizon, the distribution of green gases in addition to methane.

Eligible activities

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

- (4.14) Renewable gas and low carbon emission gas distribution and transmission networks in respect of the gas distribution business
- (7.5) Installation, maintenance and repair of devices related to metering, regulation and energy performance control of buildings in respect of metering
- (7.3) Installation, maintenance and repair of energy efficiency devices for all energy efficiency activities
- (3.10) Manufacture of hydrogen
- (7.1) Construction of new buildings
- (7.2) Renovation of existing buildings
- (7.4) Installation, maintenance and repair of electric vehicle charging stations in buildings
- (7.6) Installation, maintenance and repair of renewable energy technologies

Revenues aligned or eligible for Taxonomy

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

Aligned revenues include activities for which technical screening, DNHS and minimum guarantees of safeguards criteria are met. More specifically, revenues from the construction and upgrading of gas distribution and metering infrastructure related to services under concession arrangements are considered aligned, in accordance with IFRIC 12, for (i) the share referring to activities aimed at making the network suitable for the distribution of renewable and low-carbon gases including all requalification of the distribution network and its extensions, carried out with materials suitable for the new renewable gases (activity 4. 14); (ii) the share referring to activities involving the detection of leaks, the repair of existing gas pipelines and other elements of the network, aimed at reducing methane leaks (activity 4. 14); and (iii) the share referring to the activities of installation, maintenance and repair of smart gas meters (activity 7.5). Also included is the share of gas metering service remuneration related to the costs recognized for the installation and maintenance of smart meters (activity 7.5).

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

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

Operating expenses aligned with or eligible for Taxonomy

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

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

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

Capital expenditures aligned with or eligible for Taxonomy

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

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

All those activities that, although included in the list of EU Delegated Regulation 2021/2139, 2023/2485 and 2023/2486, do not comply with all the technical screening criteria and/or DNSH criteria are considered eligible, but not aligned. In particular, the CapEx eligible but not aligned with the Taxonomy include expenses related to Power-to-Gas project since, for that project, which qualifies for the production of green hydrogen from renewable sources (hence without carbon production), when this analysis was closed, the third-party assessment of the emission level was not available. Once this certification is been obtained and in view of the nature of the activities, the project will meet the technical and DNSH screening criteria.

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

Do No Significant Harm to environmental goals (DNSH)

Climate change mitigation: the activities considered meet the climate change mitigation objective.

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

climate change, i.e. do not lead to a worsening of the negative effects of the current or future climate on humans, nature or on the Italgas Reti Group's assets.

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

Sustainable use and protection of water and marine resources: the Italgas Reti Group is not required, for gas distribution activities, to carry out an environmental impact assessment pursuant to Directive 2011/92/EU. This absence of such requirement is inherent in the nature of the distribution business. It should be noted, however, that the laying of distribution pipes is carried out in compliance with regulations, including those of an environmental and water protection nature, both national and local, and is subject to authorisation by the competent authorities.

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

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

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

The Italgas Reti Group is not required, for its gas distribution activities, to carry out an environmental impact assessment pursuant to Directive 2011/92/EU. For the networks, the laying of the pipelines, related structures and excavation works are carried out in compliance with environmental regulations, limiting impacts on biodiversity and ecosystems.

Minimum safeguards

The Code of Ethics of the Italgas Group, of which the Italgas Reti Group is a part, the Supplier Code of Ethics and the Human Rights Policy outline the reference principles and actions taken to protect human rights, compliance with laws and the principle of competition, and the fight against corruption in the performance of the Group's activities and, in general, in any context in which the Italgas Reti Group people and business

partners operate. These principles are in line with the OECD Guidelines for Multinational Enterprises, the UN Guiding Principles on Business and Human Rights and the International Labour Organisation (ILO) Fundamental Conventions. The Policy for the Prevention of Discrimination and Protection of the Dignity of Group Personnel and the Diversity and Inclusion Policy reinforce the Group's commitments to the protection of Human Rights.

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

All suppliers are also required to confirm their compliance in terms of human rights and work by accepting the Italgas Group Policy on Human Rights, health and safety, environmental protection and the ethical and responsible management of the business. The Group conducts human rights due diligence involving both Group Companies and suppliers. Please refer to sections S1 and S2 for a description of the actions taken to 1) guarantee the protection of human rights through policies, actions, targets, whistleblowing channels and remedial measures; 2) promote and verify respect for human rights by suppliers, including reputational verification, qualification process, supplier engagement and training initiatives, ESG and health and safety audits, availability of whistleblowing channels and mechanisms for remedial action.

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

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

Financial year 2025, € million

Breakdown by environmental objectives of Taxonomy-aligned activities

KPI	Total	Proportion of Taxonomy-eligible activities	Taxonomy-aligned activities	Proportion of Taxonomy-aligned activities	Climate change mitigation	Climate change adaptation	Water	Circular economy	Pollution	Biodiversity	Proportion of enabling activities	Proportion of transitional activities	Not assessed activities considered non-material	Taxonomy-aligned activities in previous financial year (N-1)	Proportion of Taxonomy-aligned activities in previous financial year (N-1)
Turnover	2,566.4	32.9%	840.7	32.8%	32.8%	0.0%	0.0%	0.0%	0.0%	0.0%	6.3%	0.0%	0%	-	-
CapEx	811.1	90.6%	731.6	90.2%	90%	0%	0%	0%	0%	0%	12.9%	2.5%	0%	-	-
OpEx	44.5	48.0%	21.4	48.0%	48.0%	0%	0%	0%	0%	0%	4.3%	0.0%	0%	-	-

Turnover, Financial year 2025, € million

Economic activities	Code	Environmental objective of Taxonomy-aligned activities											
		Taxonomy-eligible KPI (proportion of Taxonomy-eligible Turnover)	Taxonomy-aligned KPI (monetary value of turnover)	Taxonomy-aligned KPI (proportion of Taxonomy-aligned turnover)	Climate change mitigation	Climate change adaptation	Water	Circular economy	Pollution	Biodiversity	Enabling activity	Transitional activity	Proportion of Taxonomy aligned in Taxonomy eligible
4.14 Renewable gas and low carbon emission gas distribution and transmission networks in respect of the gas distribution business;	CCM 4.14	26.4%	678.7	26.4%	26.4%								100%
7.3 Installation, maintenance and repair of energy efficiency devices for all energy efficiency activities;	CCM 7.3	0.2%	6.1	0.2%	0.2%						A		100%
7.5 Installation, maintenance and repair of metering, regulation and energy performance control devices and instruments of buildings in respect of metering;	CCM 7.5	6.0%	154.5	6.0%	6.0%						A		100%
7.6 Installation, maintenance and repair of renewable energy technologies;	CCM 7.6	0.1%	1.5	0.1%	0.1%						A		100%
3.10 Manufacture of hydrogen	CCM 3.10	0.1%	-	0.0%	0.0%								
4.15 Distribution of district heating/district cooling;	CCM 4.15	0.0%	-	0.0%	0.0%								
Sum of alignment per objective					32.8%	0.0%	0.0%	0.0%	0.0%	0.0%			
Total KPI (Turnover)		32.9%	840.7	32.8%	32.8%	0.0%	0.0%	0.0%	0.0%	0.0%			

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

Environmental objective of the Taxonomy-aligned activities

OpEx, Financial year 2025, € million

Economic activities	Code	Environmental objective of the Taxonomy-aligned activities											
		Taxonomy-eligible KPI (proportion of Taxonomy-eligible OpEx)	Taxonomy-aligned KPI (monetary value of OpEx)	Taxonomy-aligned KPI (proportion of Taxonomy-aligned OpEx)	Climate change mitigation	Climate change adaptation	Water	Circular economy	Pollution	Biodiversity	Enabling activity	Transitional activity	Proportion of Taxonomy aligned in Taxonomy eligible
4.14 Renewable gas and low carbon emission gas distribution and transmission networks in respect of the gas distribution business;	CCM 4.14	43.7%	19.4	43.7%	43.7%								100%
7.3 Installation, maintenance and repair of energy efficiency devices for all energy efficiency activities;	CCM 7.3	1.1%	0.5	1.1%	1.1%						A		100%
7.5 Installation, maintenance and repair of metering, regulation and energy performance control devices and instruments of buildings in respect of metering;	CCM 7.5	3.2%	1.4	3.2%	3.2%						A		100%
7.6 Installation, maintenance and repair of renewable energy technologies;	CCM 7.6	0.0%	-	0.0%	0.0%						A		
Sum of alignment per objective					48.0%	0.0%	0.0%	0.0%	0.0%	0.0%			
Total KPI (OpEx)		48.0%	21.4	48.0%	48.0%	0.0%	0.0%	0.0%	0.0%	0.0%			

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

CapEx, Financial year 2025, € million

Environmental objective of the Taxonomy-aligned activities

Economic activities	Code	Taxonomy-eligible KPI (proportion of Taxonomy-eligible)	Taxonomy-aligned KPI (monetary value of CapEx)	Taxonomy-aligned KPI (proportion of Taxonomy-aligned CapEx)	Environmental objective of the Taxonomy-aligned activities						Proportion of Taxonomy aligned in Taxonomy eligible		
					Climate change mitigation	Climate change adaptation	Water	Circular economy	Pollution	Biodiversity		Enabling activity	Transitional activity
4.14 Renewable gas and low carbon emission gas distribution and transmission networks in respect of the gas distribution business;	CCM 4.14	74.7%	606.2	74.7%	74.7%								100%
5.1 Construction, expansion and management of water collection, treatment and supply systems;	CCM 5.1	0.0%	-	0.0%	0.0%								
7.1 Construction of new buildings	CCM 7.1	0.1%	0.6	0.1%	0.1%								100%
7.2 Renovation of existing buildings	CCM 7.2	2.5%	20.5	2.5%	2.5%							T	100%
7.3 Installation, maintenance and repair of energy efficiency devices for all energy efficiency activities;	CCM 7.3	0.9%	7.1	0.9%	0.9%							A	100%
7.4 Installation, maintenance and repair of electric vehicle charging stations in buildings	CCM 7.4	0.0%	0.1	0.0%	0.0%							A	100%
7.5 Installation, maintenance and repair of metering, regulation and energy performance control devices and instruments of buildings in respect of metering;	CCM 7.5	11.8%	95.5	11.8%	11.8%							A	100%
7.6 Installation, maintenance and repair of renewable energy technologies;	CCM 7.6	0.2%	1.6	0.2%	0.2%							A	100%
3.10 Manufacture of hydrogen;	CCM 3.10	0.4%	0.0	0.0%	0.0%								0%
Sum of alignment per objective					90.2%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%		
Total KPI (CapEx)		90.6%	731.6	90.2%	90.2%	0.0%	0.0%	0.0%	0.0%	0.0%			

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

ESRS E1 – Climate Change

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

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

The Italgas Group³⁵ transition plan, built on the pillars of sustainability, growth and innovation, is fully integrated into the 2025–2031 Strategic Plan approved by the Board of Directors³⁶.

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

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

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

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

Despite the absence of a methodology specific to the Science-Based Targets initiative (SBTi) for the oil and gas sector, in particular for gas distribution, the Italgas Group's targets are nevertheless aligned with the trajectory envisaged by the SBTi cross-sectoral approach for a 1.5°C scenario compared with pre-industrial levels, in line with the Paris Agreement. Italgas remains committed to obtaining formal SBTi validation as soon as the sector methodology is available. In the meantime, Italgas obtained confirmation of this alignment from an independent consulting firm (Carbonsink), specialised in the analysis of climate scenarios. The alignment analysis of all the Italgas Group's targets (Scope 1 and Scope 2 market-based, Scope 3 – Supply Chain) and of the greenhouse gas emission trajectories with a 1.5°C scenario was carried out through comparison with the methodologies of the IPCC³⁷, SBTi, the CDP–WWF³⁸ Temperature Scoring Methodology, and the IEA.

³⁵ It includes elements with a time horizon extending up to 2050.

³⁶ Approved on 29 October 2025 <https://www.italgas.it/wp-content/uploads/sites/2/2025/10/Sustainable-Value-Creation-Plan-2025-2031.pdf>.

³⁷ Source: IPCC - Sixth Assessment Report

³⁸ Temperature scoring methodology developed by the Carbon Disclosure Project (CDP) and the World Wide Fund For Nature (WWF) that translates the ambition of corporate greenhouse gas emission reductions into temperature assessments for companies.

The Italgas Group has defined specific decarbonisation levers for the implementation of its transition plan, supporting its greenhouse gas emission reduction targets, described in detail in DR E1-3 / MDR-A. Furthermore, the Italgas Group has carried out an assessment of “locked-in”³⁹ greenhouse gas emissions associated with its main assets, identifying as potential “locked-in” emissions the residual fugitive emissions that remain even after the implementation of all loss minimisation measures.

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

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

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

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

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

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

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

The scenarios used in the resilience analysis are provided below.

³⁹ This refers to the estimated Scope 1 and 2 GHG emissions over the operational life of key assets and those planned with certainty. Key assets are those owned or controlled by the company and consist of existing or planned assets (such as fixed or mobile installations, plants and equipment) that are a source of significant GHG emissions, caused directly or indirectly by energy generation. Key assets planned with certainty are those that the company will most likely start using within the next five years.

Transition scenarios

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

Physical scenarios

Although the physical risks of climate change were not assessed as material, some elements relating to the physical scenarios considered in the risk assessment are set out below. The scenarios considered are the Representative Concentration Pathways (RCPs) 8.5 and 4.5 of the Intergovernmental Panel on Climate Change, both quantitative in nature, based on climate physics and defined according to the concentration of greenhouse gases in the atmosphere. The first scenario selected by Italgas is RCP 8.5, which represents the worst-case IPCC scenario, characterised by extreme and potentially irreversible consequences for meteorological and climatic variables in the absence of emission reduction actions. In this context, the growth of emissions at current rates would lead to high levels of greenhouse gas concentrations, undermining efforts

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

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

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

The results of the scenario and resilience analysis represented fundamental elements for the preparation of the Group's Strategic Plan. In particular, these analyses supported the forecasting of investments in infrastructure upgrades and innovation, including the repurposing and digitisation of gas networks, to facilitate the transition to green gases and reduce greenhouse gas emissions. The approach adopted enables the Group to position itself effectively along the transition pathway towards a low-carbon economy, seizing emerging opportunities while at the same time managing the risks associated with climate change and the evolution of the regulatory framework⁴⁰. The impact significance analysis conducted by Italgas in 2024 and updated in 2025 identified the following positive and negative impacts related to climate change:

- **Contribution to climate change:** the extraction and processing of raw materials (e.g. steel) and of the components used by the Group, as well as the construction of infrastructure and devices, result in greenhouse gas emissions linked to the use of fossil fuels in the processes involved. The operating

⁴⁰ It is specified that, regarding the economic-financial balance sheet data reported in the appropriate sections of the document, there are no considerations related to climate scenarios.

activities of the Group also generate greenhouse gas emissions, contributing negatively to climate change: in particular, fugitive methane emissions can be produced during the operation and maintenance of the network. Finally, the emissions associated with the disposal phase of network assets (meters, smart meters, pipelines and components) derive from transport to treatment centres and from the operations of separation, recovery and disposal of materials.

- **Benefits deriving from network digitisation:** the Group is committed to repurposing and digitising its distribution networks to enable the future transmission of green gases such as biomethane, hydrogen and synthetic gases.

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

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

For optimal management of the impacts, risks and opportunities related to climate change, the Italgas Group has adopted a Climate Change Policy⁴¹ that outlines Italgas’ strategic response and is in line with the goal of the Paris Agreement. The Policy is structured on two pillars: mitigation and adaptation. Regarding climate change mitigation, it includes the Italgas Group’s commitments to reducing fugitive emissions along the network and digitising the same network to accommodate green gases such as biomethane, hydrogen, and synthetic gases, improving energy efficiency, and sourcing energy from renewable sources. Adaptation initiatives relate to infrastructure optimisation, the use of predictive analytics and collaboration with local authorities to improve infrastructure resilience⁴².

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

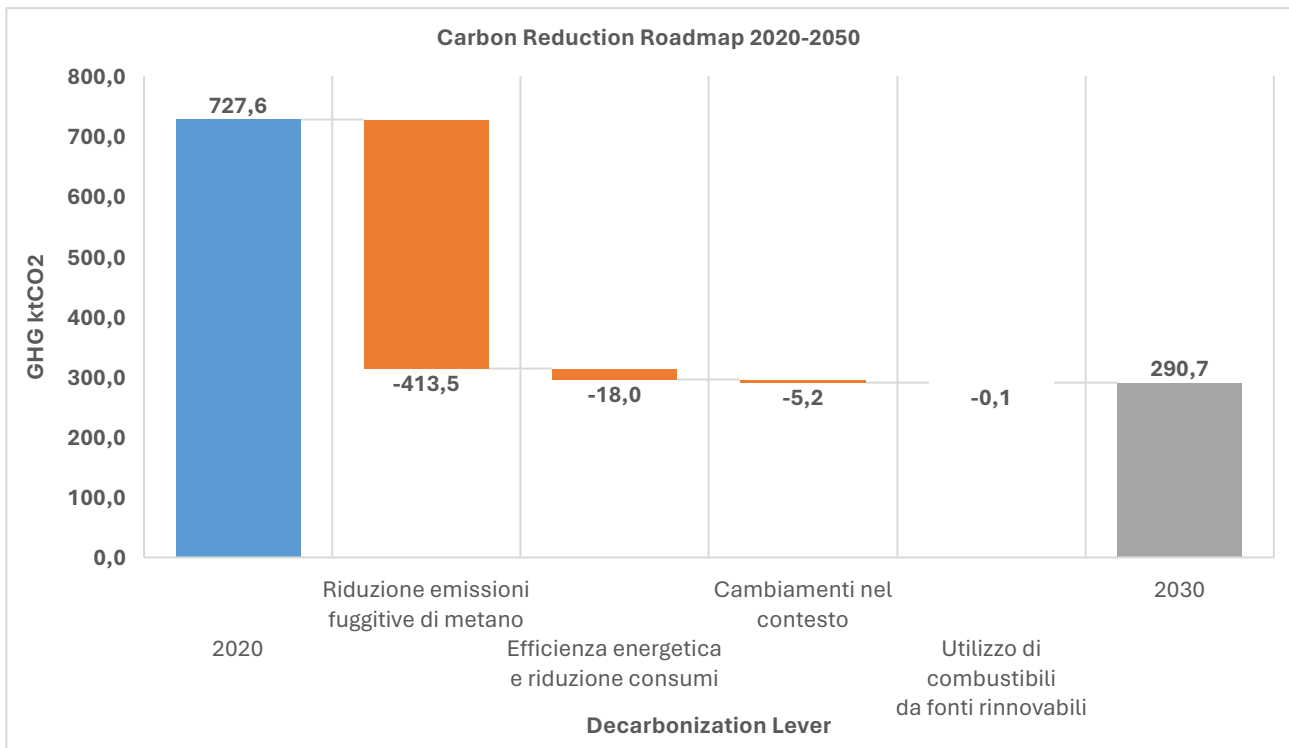
In detail, the actions implemented by the Group Italgas to actively contribute to climate change mitigation, reducing market-based Scope 1 and 2 emissions by 2030 and 2050, are divided into the following decarbonisation levers, only related to gas distribution sector.

	Actions		GHG reduction:
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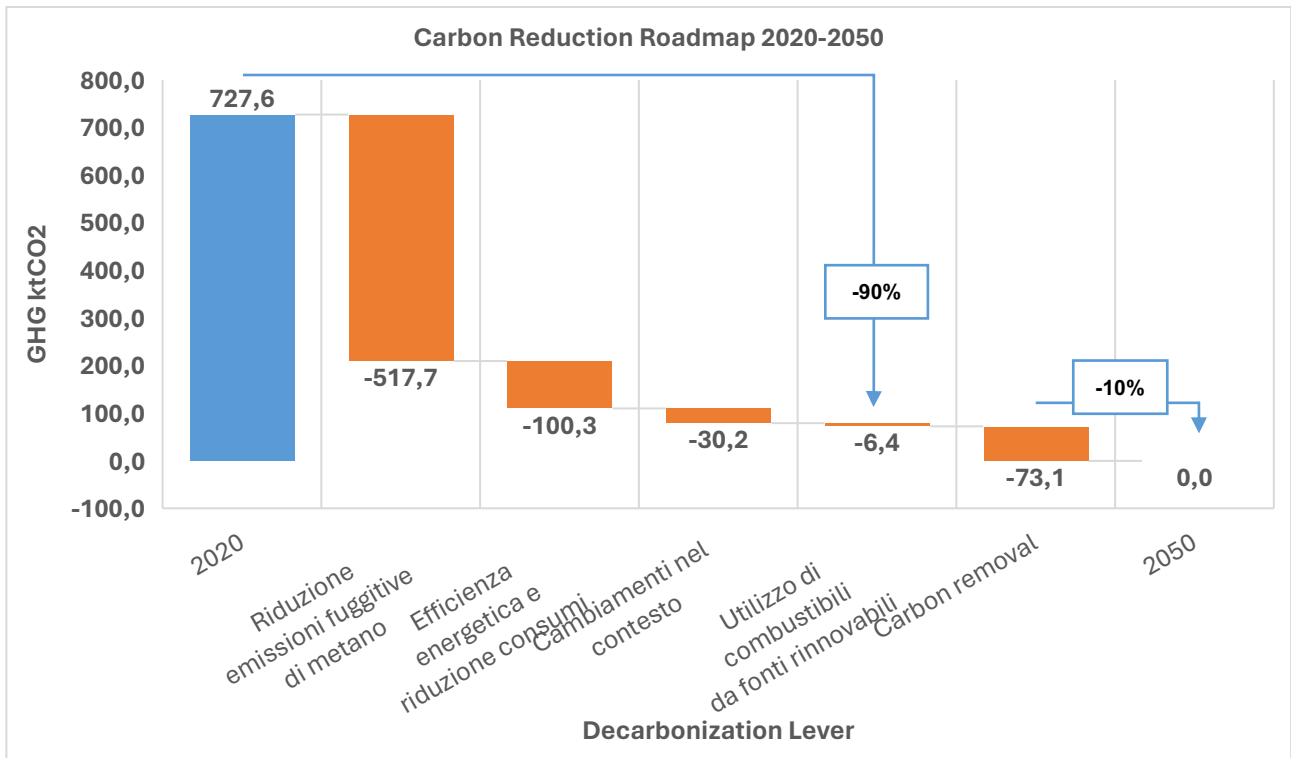
⁴¹ For further information see paragraph “Italgas Group Policies”

⁴²The Policy applies to all company activities, in every geographical area in which it operates, including relations with suppliers and partners, upstream and downstream in the value chain, to ensure sustainable management throughout the supply chain. Italgas actively involves its business partners, establishing specific guidelines and requirements to ensure that their practices are in line with the company’s emission reduction targets.

Decarbonisation levers	Reference scopes	-10 ³ tCO ₂ eq - % contribution of leverage reduction compared to the 2020 baseline (727.6 10 ³ tCO ₂ eq)		
		As of 30 September 2025 ⁴³	2030 (Expected)	2050 (Expected)
Reduction of fugitive methane emissions (CapEx: 5.2 bln€ OpEx: 0.2 bln€)	Scope 1 & Scope 2 market-based	-520.2 (-71.5%)	-413.5 (-56.8%)	-517.7 (-71.1%)
Energy efficiency and green electricity (CapEx: 1.3 bln€ OpEx: 0.6 bln€)			-18.0 (-2.5%)	-100.3 (-13.8%)
Contextual changes (CapEx: 1.9 bln€)	Scope 1	- (-)	-5.2 (-0.7%)	-30.2 (-4.1%)
Use of fuels from renewable sources	Scope 1	- (-)	-0.1 (-)	-6.4 (-0.9%)
"Carbon removal" initiatives	Scope 1	- (-)	- (-)	-73.1 (-10.0%)



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



The transition plan is based on the Italgas Group Strategic Plan 2025-2031, which includes commitments in terms of CapEx and OpEx allocated to the investments and operating costs required to support the decarbonisation pathway, in line with the defined targets. The Plan provides for CapEx investments over the period 2025-2031 of approximately 15.7 billion euro in the gas distribution sector, with a focus on digital transformation and innovation, including amounts for the acquisition of additional networks from third parties. The following investments and operating costs relating to the decarbonisation levers are identified in the Plan: with regard to the decarbonisation lever “Reduction of fugitive methane emissions”, the total investment planned amounts to 5.2 billion euro, while the associated operating costs amount to 0.2 billion euro. With regard to the lever “Energy efficiency and green electricity”, the total investment planned over the entire plan period amounts to 1.3 billion euro, compared with estimated operating costs of 0.6 billion euro. With regard to the lever “Contextual changes”, the total investment planned over the entire plan period amounts to 1.9 billion euro. For the 2025 financial year, these CapEx and OpEx items are reported under “Intangible assets” and “Total costs and other expenses”.

Regarding the Italgas Group’s targets for reducing Scope 3 emissions - Supply Chain, relating jointly to the gas distribution and water service businesses by 2030 and 2050, the relevant decarbonisation levers are presented below.

Decarbonisation lever	Actions	Reference scopes	GHG reduction ⁴⁴ : -10 ³ tCO ₂ eq - % contribution of leverage reduction compared to the 2024 baseline (309.0 10 ³ tCO ₂ eq)

⁴⁴ The data in the table refer to the scope of consolidation of the financial data as at 31 December 2025 of Italgas Group.

			As of 30 September 2025 ⁴⁵	2030 (Expected)	2050 (Expected)
Involvement of suppliers	• Awareness-raising, engagement and training initiatives; inclusion of reward criteria in tenders for suppliers	Scope 3 – Supply chain	-45.9	-74.2	-278.1
Contextual changes	• Evolution of the context in line with the decarbonisation pathways of international and national industries		(-14.8%)	(-24.0%)	(-90.0%)

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

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

Through digitisation, the increasingly efficient management of its operational assets, the development of new initiatives and the contribution of Geoside, the Italgas Group has set even more ambitious targets⁴⁶, also due to the variation in the scope of consolidation.

- For the gas distribution business, new targets have been set for 2030 (baseline 2020⁴⁷): -35% in net energy consumption and -55% in Scope 1 and Scope 2 (market-based) greenhouse gas emissions. The latter will be achieved through a mix of actions that includes energy efficiency improvements, early leak detection and repair, and the adoption of smart maintenance to reduce fugitive emissions.
- For Scope 3 – Supply Chain⁴⁸, a new reduction target has been set across the entire scope of the Italgas Group (including the water business): -24% by 2030 compared with the 2024 baseline, to be achieved mainly through the intensification of actions and engagement with the Group's suppliers.

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

Category and units	Target scope	Base year	Base year value	2030	2050	% progress (where applicable, including the contribution of 2i Rete Gas, consolidated for 9 months in 2025) ⁴⁹	Type of target	Average annual percentage reduction of emissions
Mkt-based Scope 1 & 2 [10 ³ tCO ₂ eq] ⁵⁰	Gas distribution business	2020	727.6	-55%	-90%	-71.5%	Absolute	14.3%
		2024	440.0	-26%	-90%	-52.9%	Absolute	52.9%
2020		925.7	-35%	-	-42.8%	Absolute	8.6%	
2024		676.2	-11%	-	-21.8%	Absolute	21.8%	
Net energy consumption [TJ] ⁵¹	Water service and gas distribution business	2024	309.0	-24%	-90%	-14.8%	Absolute	14.8%
Scope 3 - Supply chain [10 ³ tCO ₂ eq] ⁵²								

⁴⁵ The data presented include the contribution of the former 2i Rete Gas scope from 1 April 2025.

⁴⁶ All the reduction targets for Scope 1 and Scope 2 market-based emissions and Scope 3 – Supply Chain are aligned with the “1.5°C scenario”. The baselines related to the gas distribution business objectives have also been updated from the figures reported in the Italgas Group's 2024 Annual Report, following the integration of 2i Rete Gas, using information publicly available in the company's consolidated sustainability reports.

⁴⁷ Selected as the target year as it is the first year of the full implementation of CRDS Picarro technology, a state-of-the-art system for the high-precision detection and quantification of fugitive emissions (the most significant source of emissions in the Italgas Group's carbon inventory).

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

⁴⁹ If the contribution of the 2i Rete Gas assets for the first three months of 2025 are also considered (data outside the Group's consolidation scope), estimated through pro-rata adjustment, the percentages of progress towards the targets would be as follows: for net energy consumption, -37% (baseline 2020) and -13% (baseline 2024), and for Scope 1 and 2 (market-based) emissions, -67% (baseline 2020) and -46% (baseline 2024)

⁵⁰ Baseline values recalculated updated from the figures reported in the Italgas Group's 2024 Annual Report based on data published by Italgas and 2i Rete Gas following the update of the GWP of methane

⁵¹ This refers to total energy consumption, from which any self-produced and self-consumed electricity consumption is subtracted.

Base-year value calculated on the basis of a methodology different from that used for the Integrated Annual Report of Italgas Group. See Section “Gross Scopes 1, 2, 3 and Total GHG emissions (E1-6)” for methodological details.

The targets were developed internally within the Italgas Group and no external stakeholders were directly involved in the validation process. As indicated in DR E1-1, Italgas has obtained confirmation that its targets are aligned with the 1.5°C scenarios⁵³. These targets are aligned with the achievement of the overall objectives set out in the Climate Change Policy.

Energy consumption and mix (E1-5)

The energy source used the most in the Group's activities is natural gas, in both civil and industrial uses, and for vehicles. The data presented include the contribution of the former 2i Rete Gas scope from 1 July 2025.

	Total scope	
	2025 (MWh)	2025 (TJ)
Total energy consumption	128,381	462.2
Total energy consumption from fossil fuels	108,598	391.0
Fuel consumption from crude oil and petroleum products	20,858	75.1
Fuel consumption from natural gas	87,741	315.9
Consumption of electricity, heat, steam and cooling purchased or acquired from fossil sources	0	0
<i>Percentage of fossil sources in total energy consumption</i>	85%	85%
Total energy consumption from nuclear sources	0	0
Total renewable energy consumption	19,783	71.2
Consumption of electricity, heat, steam and cooling purchased or acquired from renewable sources	19,783	71.2
Consumption of self-generated non-combustible renewable energy	0	0
<i>Share of renewables in total energy consumption</i>	15%	15%

During 2025, the Group continued its programme to improve the efficiency of its plant fleet through the replacement of natural gas preheating boilers, the installation of systems to optimise gas preheating sections, and the digitisation of monitoring and regulation processes. Industrial electricity consumption benefited from the self-generation (and self-consumption) of electricity at city gates equipped with turbo-expanders combined with cogeneration systems.

With a view to the continuous reduction of fuel and electricity consumption for civil use, the process of optimisation, innovation and “smart” management of the real estate assets continued. Finally, fuel consumption for transport benefited from initiatives to optimise the vehicle fleet and from the digitisation of business processes (online quotations and the full adoption of Work-on-Site for the monitoring of worksites, as well as the use of DANA), which overall result in a significant reduction in field interventions by operational staff.

Energy intensity	2025		
	Energy consumption	Net revenues from activities in high climate impact sectors	Energy intensity
Unit of measurement	MWh	€ million ⁵⁴	MWh/€ million
Total energy consumption from activities in high climate impact sectors (MWh) / Net revenues from activities in high climate impact sectors (gas distribution and water service activities – million euro)	128,381	2,566.4	50.0

Gross Scopes 1, 2, 3 and Total GHG⁵⁵ emissions (E1-6)

The data and information in section E1-6 relating to the Group's GHG emissions include the contribution of 2i Rete Gas from 1 July 2025.

⁵³ See section “Transition plan for climate change mitigation and Integration of sustainability-related performance in incentive schemes (E1-1, ESRS 2 GOV-3)” for further details.

⁵⁴ The denominator “Net revenues from activities in high climate impact sectors” is calculated as Total Revenues and other income (note 27 of the Consolidated Financial Statements).

⁵⁵ Greenhouse Gas, hereafter GHG. All GHG emissions are reported in line with the GHG Protocol. For the calculation of Scope 1 and 2 emissions, the latest available factors from ISPRA and AIB sources were used. The greenhouse gases considered are carbon dioxide (CO₂) and methane (CH₄), while others have been excluded as they are not relevant. For Scope 3 emissions, GHG categories 1, 2, 4, 5, and 8, the application of specific emission factors from the CEDA database for the spend-based methodology is planned.

With regard to Scope 3 – Supply Chain GHG emissions (GHG categories 1, 2, 4, 5 and 8), the data refer to the performance of the Italgas Reti Group in the financial year ended 31 December 2025.

GHG emissions (tCO₂eq)	Total scope
	2025
Gross GHG Scope 1 emissions	154,497
Percentage of GHG Scope 1 emissions covered by regulated emissions trading schemes – ETS (%)	0%
GHG Scope 2 emissions	
Gross GHG location-based Scope 2 (tCO ₂ eq) emissions	4,654
Gross GHG market-based Scope 2 (tCO ₂ eq) emissions	0
GHG market-based Scope 1 + Scope 2 emissions (tCO₂eq)	154,497
Material Scope 3 GHG Emissions⁵⁶	
Total gross indirect GHG emissions (Scope 3) (tCO ₂ eq)	147,194
1. Goods and services purchased	45,678
2. Capital goods	88,904
3. Fuel and energy-related activities (not included in Scope 1 or 2)	4,071
4. Upstream transport and distribution	3,464
5. Waste generated during processing	2,483
6. Business trips	740
8. Lease assets upstream	1,853
Total GHG emissions (location-based) (tCO₂eq)	306,345
Total GHG emissions (market-based) (tCO₂eq)	301,691

The main contribution to Scope 1 and Scope 2 market-based emissions is represented by fugitive emissions (133,340 tCO₂eq, equal to 86% of total Scope 1 and Scope 2 market-based emissions). The level of fugitive emissions recorded in 2025 reflects the Company's continuous commitment to refining its monitoring and emissions quantification processes and algorithms, in line with the new EU Methane Regulation. For the fifth consecutive year Italgas has maintained the prestigious OGMP 2.0 "Gold Standard" status. This recognition, awarded by the International Methane Emissions Observatory (IMEO) of UNEP, rewards the highest reporting level (L5) achieved, highlighting the company's concrete commitment to sustainability and decarbonisation. Below is the emission intensity value calculated as the ratio between "total GHG Scope 1, 2 and 3 emissions from activities in high climate impact sectors" and "Net revenues from activities in high climate impact sectors".

Emission intensity	2025		
	GHG emissions	Net revenues from activities in high climate impact sectors⁵⁷	Emission intensity
Unit of measurement	tCO₂eq	€ million	tCO₂eq/€ million
Total GHG Scope 1, 2 and 3 emissions from activities in high climate impact sectors (tCO ₂ eq) / Net revenues from activities in high climate impact sectors (million euro)	301,691	2,566.4	117.6

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

In 2025, the Group did not develop or contribute to climate change mitigation projects involving the removal or storage of GHG emissions, nor did it purchase carbon credits. However, it is continuously researching

⁵⁶ Emissions from categories 1, 2, 4, 5 and 8, considered as Scope 3 - Supply Chain, reported in the table and representative of Italgas Reti Group, are calculated through the application of specific emission factors from the CEDA v.2025 database (shares S1, S2 and S3; spend-based methodology) and from those obtained directly from suppliers (supplier-specific methodology for S1 and S2 emissions); in the latter case, the S3 share has been added using CEDA factors. For emissions relating to network and plant construction activities, a 35% reduction of the CEDA emission factor (for the Scope 3 share only) was applied, given the significance of labour compared with total expenditure. Finally, category 3 was calculated by applying DEFRA and IEA emission factors to the Group's consumption, while category 6 was calculated using data provided by the travel service provider, applying DEFRA emission factors. The remaining GHG categories are not reported as they are not relevant.

⁵⁷ The denominator "Net revenues from activities in high climate impact sectors" is calculated as Total Revenues and other income (note 27 of the Consolidated Financial Statements).

innovative solutions and technologies for carbon storage. With a view to “Net Zero Carbon” target at 2050, the Group has expressed its willingness to implement carbon removal initiatives, including the purchase of carbon credits, for residual emissions (around 10% of the baseline value) from 2030 onwards.

Internal carbon pricing (E1-8)

Although none of the Group’s operations are subject to the EU ETS system, the Company has integrated an internal notional carbon price into its planning process, which quantifies potential risks from regulatory changes and other climate change impacts. This notional price applies to the Group and its activities, supporting low-carbon investments, stress-testing investments, identifying low-carbon investment opportunities and promoting energy efficiency. Carbon pricing helps to assign a value to expected CO₂ reductions and compare the economic value generated against the costs of the initiative. Its use influences decision-making and supports specific projects aligned with CO₂ reduction targets. The value of the carbon price used internally refers to carbon credit markets (including, for example, those for CORC credits, which had an indicative reference value of around 120 €/tCO₂eq also in 2025)⁵⁸.

ESRS E5 – Resource use and circular economy

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

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

Impacts related to waste production were identified at different stages of the value chain. With reference to direct operations, waste management is mainly related to smart meters and the associated recovery and disposal of materials such as metals, plastics and WEEE (for details of the waste produced, see E5-5 38a). The analysis showed that upstream activities, such as the extraction and processing of materials used for steel and polyethylene pipelines, may potentially generate mining waste and hazardous waste such as solvents and chemical residues, requiring appropriate management to avoid environmental and health risks. Pipe laying and maintenance activities carried out by contractors produce waste, including excavated soil and solvents which, if not properly managed, could become a source of contamination. The Group encourages the recovery of waste, not only directly but also from its contractors, in order to favour an increasingly circular and sustainable approach. Two negative impacts have been identified in relation to the circular economy: the use of non-renewable resources along the value chain and the distribution of smart meters characterised by the use of non-renewable materials and limited circularity. To address these impacts, the Group continues to develop circular economy projects, also with the support of a cross-functional working group dedicated to researching and implementing possible applications, launching participatory initiatives, and scouting for and collecting innovative ideas from partners and suppliers.

With regard to incoming resource flows, products and materials are monitored through the direct and indirect procurement activities of its contractors; with regard to outgoing resources, in addition to waste management,

⁵⁸ It is specified that, with regard to the economic-financial balance sheet data reported in the relevant sections of the document, there are no considerations related to the carbon price.

the Group considers the Nimbus smart meter as a product within its scope, developed in line with ecodesign approaches aimed at reducing environmental impacts over the life cycle, as described in the following sections.

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

Italgas’ Policy on Health and Safety, Environment, Quality and Energy (HSEQE Policy) provides for the adoption of an integrated management system for quality, occupational health and safety, environment and energy, in compliance with the relevant regulations, the national collective labour agreement and the relevant international standards⁵⁹.

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

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

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

The correct management of waste and the related supply chains allows for maximum yield in terms of recycling and/or treatment. In a circular economy perspective, this means maximising the extension of the life cycle of products while at the same time minimising waste. Waste management activities are centrally coordinated by the Italgas Group and cover all the companies within the Group. The action plan and the monitoring of waste management indicators (including the percentage of waste sent for recovery, understood as the quantity of waste recovered/quantity of waste produced, whether produced by the Group or by its contractors) are discussed monthly during a dedicated meeting with the Italgas Group CEO and the CEOs of Italgas Reti and the subsidiaries.

The future financial resources allocated within the Group for the management of the matter and the achievement of the objectives amount to approximately 2.9 million euro for the 2026-2031 period⁶⁰. In 2025, more than 482.9 thousand euro were spent on dedicated personnel and to cover contracts for the disposal of waste produced by the Group. These OpEx are indicated in Note 28 “Total costs and other expenses” of the Consolidated Financial Statements.

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

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

TARGET	Target scope	Target	Target year	Progress (2025)	
				%	Absolute value (tonne)
Waste recovery percentage ⁶¹ for the Italgas Group and its contractors	Italgas Group ⁶²	96-99%	Annual target	97.0 ⁶³	792,635.0

⁵⁹ For further information see paragraph “Italgas Group Policies”

⁶⁰ The estimated amount for subsequent years is based on current conditions (operating prices) and the scope of consolidation as at 31 December.

⁶¹ For the definition of “waste sent for recovery,” reference should be made to what is stated in Directive 2008/98/EC.

⁶² The targets refer to the scope of the consolidated Group companies as at 31 December 2025 and its contractors.

⁶³ Waste managed by contractors of the former 2i Rete Gas for the period April-June 2025 is excluded.

Data on waste generated by the Group and its contractors are collected through dedicated management systems (also provided to contractors) or, where these are not available, through reporting based on traceability documents.

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

The Nimbus project

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

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

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

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

Other initiatives relating to the circular economy

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

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

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

TARGET	Target scope	Base year	Target	Target year	Progress (2025)	
					%	Absolute value
Over 6 million Nimbus smart meters installed, designed according to Design for Environment criteria, between now and 2030.	Italgas Group ⁵	2025	6 millions	2030	0.8%	49,399

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

Resource inflows (E5-4)

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

Data were collected from the management systems used for both direct material purchases and materials purchased by contractors for the execution of works, based on the procurement model among the various companies⁶⁴. For these products, the relative weight was calculated and divided between the categories of materials (metals, plastic, electronic material, other).

Total material inputs amount to 4,473 tonnes, consisting of metals (41%, mainly steel structures and pipelines, followed by aluminium structures), plastics (52%, mainly polyethylene pipes) and, to a residual extent, electronic materials (4%, batteries, printed circuit boards, displays) and other materials (3%, wood and packaging paper).

In addition, 37 tonnes of recycled plastic were used⁶⁵ in the approximately 90,000 Nimbus meters delivered in 2025 (around 1% of the total weight of plastic purchased), confirming the positive trend (0.2% in 2024) and the Group's intention to give increasing weight to the use of Second Life Plastic as a raw material for purchased products.

Resource outflows (E5-5)

Products and materials

The Nimbus smart meter is the only product owned by the Italgas Group.

Its small size reduces the logistical impact, simplifying warehouse storage, transport and installation in the field. Nimbus is estimated to have a useful life more than 50% longer than the meters currently installed by Italgas and was designed and engineered with a target mean time to failure of 19 years, well above the 15-year useful life defined by the relevant standards.

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

Resource outflows (E5-5)

Waste

In 2025, waste from the Group's activities amounted to 452.5 tonnes. Hazardous waste amounted to 4.0 tonnes and non-hazardous waste amounted to 448.5 tonnes (which accounts for 99.1% of the waste produced).

The total value of waste sent for recovery or disposal amounts to 455.6 tonnes (the value exceeds the figure for total waste produced as it includes the 2024 stock managed during 2025), mainly composed of electronic meters, which are the subject of the massive replacement campaign. 454.8 tonnes⁶⁶ or 99.8% of the waste produced by the Group were managed for recovery and 0.8 tonnes for disposal.

⁶⁴ The analysis considered 80% of the main categories of material representing approximately 91% of the value purchased during the reporting period

⁶⁵ Based on the product datasheet provided by the manufacturer.

⁶⁶ Of this total, 3.2 tonnes are classified as hazardous waste and the remaining 451.6 tonnes as non-hazardous waste; all waste sent for recovery was managed through methods other than reuse and recycling (other recovery operations).

	Italgas Reti 2025	
	Hazardous (tonne)	Non-hazardous (tonne)
Incineration	0.0	0.0
Landfill disposal	0.0	0.0
Other disposal activities	0.7	0.1

Non-recycled waste	Italgas Reti 2025	
	%	Absolute value (tonne)
	0.2	0.8

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

Starting in 2024, the Italgas Group signed a cooperation protocol with the WEEE Coordination Centre, the central body responsible for optimising the collection, withdrawal and management of this type of waste at national level. The initiative will allow Italgas to use the WEEE collection service provided by the collective systems belonging to the WEEE Coordination Centre (CdC RAEE) and to dispose of around 200,000 meters replaced on average each year, while recovering and recycling the main components and materials. The agreement generates benefits across the entire value chain, ensures the traceability and proper treatment of waste flows and contributes to preventing their dispersion. Thanks to this initiative, in 2025 the consortium collected 93,390 smart meters directly managed by Italgas Reti, corresponding to approximately 187 tonnes.

8.3 Social information

S1 – Own workforce

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

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

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

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

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

The Group acknowledges that the actual and potential impacts on its workers, reported below, are closely connected to its strategy and business model.

Although the probability of episodes of non-compliance with human rights, diversity and equal opportunities is extremely low, the occurrence of isolated events that could compromise these principles cannot be completely ruled out.

Negative Impacts

Failure to respect the human rights of its own workforce

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

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

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

Failure to respect diversity and equal opportunities in the workforce

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

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

Failure to protect the health and safety of employees

Direct Group operations could involve risks for the health and safety of workers. The use of complex equipment and potentially dangerous machinery, if not adequately managed through protective devices, specific training and safety protocols, could expose employees to the risk of serious or life-threatening accidents. The impacts strictly related to the operational nature of the business mainly concern risks associated with driving operational

vehicles, risks associated with gas commissioning and use (fire and explosion), risks of working near excavations (falling into excavations), working in confined spaces or at height, and lifting operations.

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

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

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

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

Positive impacts

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

The Group benefits from the welfare measures promoted at Italgas Group level and aimed at employee well-being, promoting work-life balance and fostering an inclusive and welcoming working environment.

Types of workers involved: all employees and their families.

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

Increasing the professionalism and preparedness of employees through upskilling and reskilling

Training activities within the Group are closely linked to the company strategy and contribute to the achievement of the its strategic objectives. Training is an essential tool for promoting the adoption and integration of innovative technologies, particularly those related to Artificial Intelligence, supporting the Company's digital transformation process.

Employees are made aware of the importance of environmental and social sustainability, and the adoption of operating practices that reduce environmental impact is encouraged, thus strengthening the commitment to a responsible and sustainable energy transition.

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

Types of workers involved: all employees.

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

The energy transition strategy may have potential negative impacts due to the possible inadequacy of the workforce's skills as a result of the evolution of the business model with the introduction of green gases and other new or different operational processes (for example, as a result of their digitisation). The Group is

proactively managing these risks by developing reskilling and upskilling programmes to equip its workforce with the skills needed.

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

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

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

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

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

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

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

The implementation of the policies is supported by operational procedures, periodic audits, self-assessments and anonymous reporting mechanisms that ensure remedial measures in the event of negative impacts on human rights and incidents of discrimination such as harassment, violence and mobbing.

Processes for engaging with own workforce and workers' representatives about impacts (S1-2)

Involvement of workers and their representatives takes place through dialogue with trade unions and workers' representatives as provided for in the Industrial Relations Protocol, and is managed for the Italgas Reti Group at Italgas Group level.

In 2025, Italgas guaranteed structured involvement of the Trade Unions through various phases of the decision-making process and during the acquisition and merger process with 2i Rete Gas.

The type of involvement includes consultations, negotiations dialogue developed within joint company institutions (e.g. IPA - Joint Company Institution - for Remote Working and Training).

The establishment of joint bodies and the setting up of the RSU Coordination Committee promotes continuous dialogue, allowing the Group to directly collect the concerns of employees and transform them into concrete actions. In 2025, the discussion was also cemented on issues relating to health and safety at work with the members of the RLS Coordination Committee.

The trade union agreements signed are not just formal instruments, but genuine drivers of change that allow Italgas to maintain a respectful and inclusive work environment that is attentive to the perspectives of its employees, while reinforcing social dialogue as a fundamental value of the Group.

Particular attention is also paid to the identification of any vulnerable groups. For example, caregivers (new parents or employees who assist elderly parents or family members with disabilities or children with special learning needs), people with health problems, protected categories, victims of gender-based violence, employees with a proven history of drug or alcohol addiction, and foreign workers who are not EU citizens.

Processes to remediate negative impacts and channels for own workforce to raise concerns (S1-3)

The Group adopts a responsible approach in the management of remedies for any significant negative impacts on its employees caused or contributed to by the Group. The remediation process includes impact assessment, dialogue with the affected workers, the definition of corrective actions and, where appropriate, the possible involvement of trade unions. These activities are aimed at ensuring that the measures adopted effectively respond to the needs of the affected workers.

The Group makes use of the Italgas Reporting Procedure which, through the whistleblowing channel, allows its employees to raise concerns or needs directly in relation to alleged irregularities, for example working conditions, discrimination, human rights violations and safety. In the case of reports, appropriate corrective actions are taken, which may include management interventions or disciplinary measures against the employees involved.

For a full explanation of the channel, please refer to DR G1-1.

Awareness about the whistleblowing channel is promoted by making mandatory online courses available to all employees on Whistleblowing regulations and how to confidentially report any illegal or unethical behavior. In order to assess awareness of this tool, levels of participation in the courses are monitored. Currently, there is no structured process to assess the level of trust of its own workers on these channels.

Taking action on material impacts on own workforce, and approaches to managing material risks and pursuing material opportunities related to own workforce (S1-4)

The Group adopts a wide range of initiatives aimed at effectively managing the main issues related to human rights, diversity, equal opportunities and health and safety. At the same time, it is committed to strengthening and promoting employees' skills, as well as continuously improving its welfare policies. The effectiveness of the actions taken to mitigate negative impacts is monitored through the targets set for each impact.

Ensuring respect for human rights

The Italgas Reti Group, through the Italgas Group, has developed a human rights due diligence process aimed at identifying, assessing and mitigating potential human rights impacts and risks within its operations and

business relationships, applying operating procedures, audits, target monitoring and anonymous reporting channels. The effectiveness of the measures is verified periodically and integrated with employee awareness programmes.

Encouragement of women to take up management roles and guarantee a working environment that offers equal opportunities, including equal pay

The Group confirms its commitment to Diversity & Inclusion in order to improve the inclusion, promote equal opportunities, appreciate the value of diversity and promote the uniqueness of individuals in line with the objectives set out in the Sustainable Value Creation Plan of the Italgas Group. A change management programme dedicated to Diversity & Inclusion has been launched, involving the Group's people through the implementation of widespread awareness initiatives and the identification of Diversity & Inclusion Ambassadors, who act as key change agents working on the following themes: Age & Culture, Disability, Gender and Sexual Orientation.

The Italgas Group has promoted various initiatives for inclusion, diversity and gender equality, including numerous training and awareness initiatives aimed at raising awareness among employees on issues related to gender-based violence. To raise awareness on the topic of disabilities, the Italgas Group organised e-learning training courses to provide the tools necessary to make corporate documents accessible. It was also introduced a Total Reward system to increase awareness of its elements of remuneration. Italgas constantly monitors the effectiveness of its actions through the annual survey "Your voice counts" and other targeted surveys. Thanks to employee feedback, initiatives such as the Olympic Games, a day of sport and sharing, and Open Gest, an initiative aimed at all Italgas Group employees, have been launched to transform the company strategy into day-to-day work.

Promoting the welfare of employees

Italgas provides a welfare programme with a wide range of services and initiatives to meet the diverse needs of the employee population, including support for family, income, health and physical wellbeing, leisure, and daily tasks, with a target of 90% employee participation by 2030. In 2025, the welfare plan confirmed the initiatives introduced in 2024 and was further enriched with the introduction of Euty, an app supporting parenting, financial education and public welfare benefits. It also maintained sporting events and the increase in the number of smart working days for parents with children up to 14 years of age.

Paternity leave is extended, allowing all new fathers to take an additional 5 days of paternity leave, in addition to the 10 currently required by law. Support is offered for income and leisure (micro-credit, agreements with banking institutions, etc.), for the family (day-care reimbursement, summer camps, study support), and for health and welfare (cancer prevention). In 2025, the number of scholarships available to the children of employees attending secondary schools and universities was doubled to 50. Welfare Days and webinars are an important opportunity for all company population to share and learn more.

Promoting health and safety of employees

The promotion of health and safety of employees is pursued through dedicated training activities, awareness-raising meetings and opportunities to meet and discuss safety, promoting a corporate culture that is geared towards prevention and the protection of workers' health.

In 2025, meetings were held between management and employees to examine organisational and operational aspects with a particular focus on safety issues.

The main safety indicators are analysed and shared with managements on a monthly basis as part of the Monthly Dashboard. In 2025, the project to monitor safety conditions on construction sites continued and improved with constant inspections throughout the year regarding HSE aspects, with particular attention being paid to high-risk activities that may result in accidents. 5,466 site inspections were carried out across the Group in Italy.

In the event of particularly significant accidents or near misses, the causes of the event and the main corrective actions to be implemented in order to avoid the event recurring in other Group companies are shared with the management and HSE bodies of their companies.

The action plan includes the continuation of the actions already undertaken with a particular focus on reducing the combined accident rate and increasing the reporting of unsafe actions and conditions by workers on the Safe4You app, available to all workers on the Company intranet.

Actions to remedy current negative material impacts

The Italgas Group implements various activities aimed at minimising accidents involving its employees, as illustrated in data point S1-4. In 2025, there was an increase in the number of accidents that occurred during the work activities of employees (see [DR S1-14](#)). All events were subjected to systemic analyses in order to define corrective actions that were promptly activated to avoid the recurrence of similar accidents.

The development of digital skills and the optimisation of resources

In 2025, the Italgas Group further strengthened its skills development strategy through IGAcademy, continuing in a structured manner the upskilling and reskilling initiatives across all companies, including the Italgas Reti Group. A total of more than 300,000 hours of training were delivered, distributed across the three pillars of the IGAcademy model: “Excellence”, “People” and “Innovation”.

The training offer included technical courses on emergency situations, innovative technologies (such as Picarro, MadFlex and 3D Asset Mapping), gas distribution and emergency response; programmes developed in collaboration with the POLIMI Graduate School of Management on project management with certifications and open badges; content on commercial topics, complaint management, accounting and asset-related aspects, and sustainability together with the Sustainability Ambassadors. HSE and Compliance programmes continued, including initiatives on GDPR, whistleblowing and anti-corruption.

The *WeSpeak* programme delivered language training in English and Greek, while *WeTrain* involved more than one hundred internal trainers in workshops dedicated to facilitation techniques.

Digital platforms continued to transform learning into a “pull” model, encouraging autonomy and proactivity. Gamification initiatives such as *FantAcademy* increased engagement, while the availability of on-demand content encouraged increasingly personalised and continuous access to training pathways. In 2025, new edutainment and hackathon programmes also became established – *Al'm Ready*, *WeManageProjects* and *WeDesign* – which accelerated the dissemination of skills in analytics, artificial intelligence, project management and design thinking, with hybrid, interactive formats oriented towards experimentation.

A central role was played by the *IGTalks*: 10 events open to the entire population of the Italgas Group, dedicated to Innovation, Finance and Sustainability, which promoted a shared culture around emerging technologies, sector macrotrends and the energy transition.

2025 was also the year of integration with 2i Rete Gas, which involved an extraordinary investment in programmes dedicated to Operations: more than 60,000 hours of training for former 2i personnel (around 30 hours per person), of which more than 30,000 hours were delivered in person, and more than 20,000 hours of HSE training for 1,300 field operators. In addition, 140 new experts were deployed to provide operational support across the territory.

The integration was accompanied by the creation of a single digital *Learning Hub*, with more than 20,000 visits and more than 300 interactions with the two support chatbots developed using GenAI technologies. Thanks to artificial intelligence tools, more than 70 video tutorials and webinars were produced, for a total of around 20 hours, dedicated to the use of Italgas applications and processes. This approach made on-demand and accessible materials available and ensured they were continuously updated, strengthening just-in-time learning capabilities throughout the integration process.

Personal development and leadership programmes:

- WeBecome: Development Centre for evaluation and skills development;
- WeGrow: Pathway for Individual Contributors with potential on self-empowerment;
- WeLead: Programme for new managers on developing managerial skills;
- ElevaTeam: Pathways for teams on change management and empowerment;
- 2Gether and Italgas Way: Integration pathways for new Italgas Group companies;
- Coaching: For strengthening leadership figures;
- Inspire & Influence: For people managers, aimed at inspiration and involvement;
- Initiative & Decision-making: For people managers, aimed at training decision-making in complex contexts.

National and international collaborations with SDA Bocconi, IESE, Headspring, Knauss and Innovit continued to strengthen the offer on innovation, leadership and change management, with certified programmes and a global perspective. The Italgas Group participates in initiatives promoted by the CDP network, including a Corporate MBA and several executive training programmes delivered in collaboration with leading Italian and international business schools. All the actions described above contribute to achieving the training and development objectives set out in the Italgas Group Sustainable Value Creation Plan.

Future financial resources allocated for the management of the issue and the achievement of the objectives refer to a total of approximately 190 million euro of CapEx and OpEx in the 2026-2031 reference period. In 2025, approximately 30 million euro were spent on activities related to safety of the employees, in operational activities and on construction sites, welfare initiatives, D&I, development, training and recruitment for Group personnel.

These CapEx are indicated in this document in Note 13 “Property, plant and equipment” and Note 14 “Intangible assets” of the Consolidated Financial Statements; the OpEx, on the other hand, are indicated in Note 28 “Total costs and other expenses” of the Consolidated Financial Statements.

Italgas Group’s People Department is responsible for identifying, monitoring and managing negative impacts, as well as promoting positive impacts.

The process of identifying actions includes risk assessment and analysis of legislative compliance regarding the management of employment relationships within the Group. In the case of potential negative impacts, Italgas uses internal audits, climate surveys and reporting channels to assess the likelihood and severity of the impacts, while for actual impacts, in-depth internal investigations are conducted to assess the implementation of actions towards employees and/or corrective measures.

The actions identified are selected based on their suitability in the specific context and their ability to resolve the impact effectively, ensuring compliance with Company standards and workers' rights.

The possible impact in terms of loss of market share, namely the loss of concessions in one or more Minimum Territorial Areas (ATEMs), is managed by applying the employment protection mechanism provided for by sector legislation (Ministerial Decree of 21 April 2011), allocating employees appropriately across the various ATEMs.

Targets related to managing material negative impacts, advancing positive impacts, and managing material risks and opportunities (S1-5, MDR-T, MDR-M)

The Italgas Reti Group contributes to achieving the targets of the Italgas Group Sustainable Value Creation Plan.

Category and units	Target scope ⁶⁷	Target	Target year	Progress (2025)
Combined accident index for employees and contractors (minimum annual target) ⁶⁸	Italgas Group	< 0.15	Minimum annual target	0.073
Use of welfare services	Italgas Group	> 90 %	2030	84%
Average per capita training hours provided ⁶⁹	Group Italgas	50 hours per employee per year	2031	50 hours
Women in positions of responsibility ⁷⁰	Italgas Group	33.5%	2031	27%
Gender Equity Pay Gap ⁷¹	Italy	3%	2030	5.7%

The targets are aimed at the continuous improvement of the Group's performance and are not monitored with reference to a specific base year but with respect to the pre-established value to be achieved.

Based on the results derived from monitoring the performance, any modifications or areas for improvement in the policies, initiatives, and services implemented by the company are assessed. In establishing the indicators of profitability, productivity and sustainability that form the basis of the performance bonus, the Italgas Group involves employees through their union representatives, discussing and sharing points for improvement and establishing evaluation criteria. Through the climate survey, the opinions and perceptions of employees are collected with respect to various areas, including the Group's performance and objectives, helping to identify areas of excellence and improvement.

⁶⁷ The targets refer to the scope of the Group companies consolidated using the line-by-line method as of 31 December 2025, any exceptions are expressly stated in the document.

⁶⁸ Measured as the product of the frequency index (number of accidents per million hours worked) and severity index (number of days of absence per thousand hours worked) of accidents recorded at Group and contractors level during the year. For 2025, excluding the contribution from 2i Rete Gas for the months of April to June 2025.

⁶⁹ The target has become more challenging, as the previous one – equivalent to 45 hours per capita – had already been achieved by 2024.

⁷⁰ Percentage of women holding the position of "head of business unit" as at 31 December 2025. Women in positions of responsibility are defined as female employees who hold formally assigned roles with functions of management, coordination or supervision of people, activities and processes.

⁷¹ Calculated as the change between the gross annual remuneration of women to men for comparable groups of employees according to organisational weight, referred to the Italian scope. Staff from 2i Rete Gas are excluded for 2025. This indicator is calculated differently from the "Gender Pay Gap," as shown in S1-16.

Characteristics of the undertaking's employees (S1-6)

In 2025, the corporate population increased by 66% compared with 2024, mainly due to the acquisition of 2i Rete Gas and the subsequent integration of its personnel. All the employees of Italgas Reti Group are employed in Italy.

	Gender	Unit of measurement	2025
No. of Employees	M	Headcount	3,733
	F	Headcount	580
	Other	headcount	0
	Not stated	headcount	0
Total no. of employees (headcount)			4313
Employees in countries with more than 50 employees and who represent at least 10% of the total number of the Group's workforce.		headcount	4313

Type of contract	Gender	Unit of measurement	2025
Employees with permanent contracts	M	headcount	3,688
	F	headcount	576
	Other	headcount	0
	Not stated	headcount	0
	total		4264
Employees on fixed-term contracts	M	headcount	45
	F	headcount	4
	Other	headcount	0
	Not stated	headcount	0
	total		49
Employees with a zero-hours contract	M	headcount	0
	F	headcount	0
	Other	headcount	0
	Not stated	headcount	0
	total		0
Full-time employees	M	headcount	3,726
	F	headcount	512
	Other	headcount	0
	Not stated	headcount	0
	total		4238
Part-time employees	M	headcount	7
	F	headcount	68
	Other	headcount	0
	Not stated	headcount	0
	total		0

	31.12.2025			
Employees leaving	M	F	Other	Not stated
Employees leaving (no.)	229	33	0	0
voluntarily	54	20	0	0
Turnover rate (%)	6.13%	5.69%	0	0
Voluntary turnover rate ⁷² (%)	1.45%	3.45%	0	0

Indicates the percentage of employees who voluntarily left the company in relation to the total workforce, excluding retirements

Quantitative information on the Group's employees is expressed in terms of headcount and refers to employees as of 31 December 2025.

During 2025, a total of 123 people were hired from the market (it is noted that in note 28 of the Consolidated Financial Statements, relating to Total costs and other expenses, the most representative number of employees of the Italgas Group is indicated in the section "Average number of employees," in line with the requirements of DR S1-6).

Characteristics non-employees in the undertaking's own workforce (S1-7)

Non-employed workers	Unit of measurement	2025
Total number of non-employee workers in the workforce	<i>headcount</i>	2
Total number of non-employee workers in the workforce – self-employed	<i>headcount</i>	0
Total number of non-employee workers in the workforce – workers provided by Companies primarily engaged in recruitment, selection, and staff supply activities	<i>headcount</i>	2

During 2025, the number of non-employee workers engaged by the Group amounted to 2 individuals. This arrangement involved temporary agency staff employed at the Italian offices. The above information on non-employee workers is expressed in terms of headcount and refers to the non-employee workers as of 31 December 2025.

Collective bargaining coverage and social dialogue (S1-8)

In 2025, the Italgas Group continued its commitment to maintaining strong relations with the trade unions, aiming to implement the Industrial Relations Protocol.

Through trade union dialogue, important agreements were reached on several issues, including, following the merger of 2i Rete Gas S.p.A. into Italgas Reti S.p.A., the harmonisation of economic and regulatory conditions across the entire Italgas Group (Italy), recognising the contribution of both corporate entities involved in the transaction across all the Group's companies.

The Italian Competition Authority (AGCM), in approving the acquisition of 2i Rete Gas, required the disposal of certain portions of methane gas distribution concessions; also in this case, dialogue between the parties led to the signing of a trade union agreement safeguarding the conditions of employees transferred to the new acquiring companies.

Discussions also continued on employment issues and on the reinternalisation of key activities such as the on-call emergency response service, following the profound territorial reorganisation resulting from the merger. Trade union negotiations also focused on organisational matters, including the reorganisation of the Integrated Supervision Centre (CIS) and the Digital Plants and Networks Command and Control Centre (CIRD) at Italgas Group level, as well as the revision of agreements relating to the Picarro leak detection service.

The Parties also collaborated to raise safety standards and safeguard corporate assets through a trade union agreement on video surveillance, in response to the EU Critical Entities Resilience (CER) Directive, aimed at protecting corporate assets and through the experimental installation of dash cams on board all company vehicles dedicated to the night-time leak detection service.

The Parties also finalised the calculation of the 2024 performance bonus and defined the targets for 2025.

The work of the Joint Training Institution also continued, with the sharing of Italgas Group training initiatives and the signing of agreements for financed training: the Parties also entered into an agreement to participate in the New Skills Fund call for proposals.

	Unit of measurement	2025
No. Employees covered by collective labour agreements	<i>headcount</i>	4313
Total no. of employees	<i>headcount</i>	4313
% of employees covered by collective labour agreements	%	100%

Rate of non-employees covered by collective labour agreements	2025 - Country
0-19%	
20-39%	
40-59%	
60-79%	
80-100%	<i>ITALY (Italgas Reti Group)</i>

Workplace representation	2025 - Country
0-19%	
20-39%	
40-59%	
60-79%	
80-100%	<i>ITALY (Italgas Reti Group)</i>

At 31 December 2025, 100% of employees were covered by collective labour agreements⁷³.

Specifically, 100% of employees are covered by both national and company collective labour agreements.

With regard to non-employee workers, their terms of recruitment and employment are defined in accordance with the staff recruitment agencies (which apply national collective agreements). Those who have entered into individual collaboration contracts with the companies of the Group are not included in the calculation of the percentage indicated above, as by definition they do not refer to any national collective labour agreement.

Regarding the percentage of the employees who are guaranteed union representation, all employees are represented by the Unitary Trade Union Representations, accounting for 100%.

Specifically, the Industrial Relations Protocol defines the concept of a production unit not as a single plant (except for headquarters) but at least as the territory of the regional hub. Therefore, we can say that 100% of workers perform their duties in a production unit where union representation is present.

There are no agreements between the Group's employees and trade union organisations at the European level (European Works Council, Societas Europaea Works Council, or Societas Cooperativa Europaea Works Council).

Diversity metrics (S1-9)

The Group is increasingly committed to creating a management system that is gender-balanced and promotes the inclusion and enhancement of diversity.

⁷³The percentages were calculated using the following formula: (Number of employees covered by collective agreements / Total number of Group employees) x 100.

In 2025, female managers account for 16.5% and women in Top Management – understood here as level -1 and -2 reporting to the CEO – represent 29.4%.

The table below shows the gender distribution of the Group's Top Management⁷⁴ and the age distribution of its employees.

	Unit of measurement	Gender	2025
Employees belonging to the Group's Top Management (no.)	headcount	Men	12
	headcount	Women	5
	headcount	Other	0
	headcount	Not stated	0
Employees belonging to the Group's Top Management (%)	%	Men	70.6%
	%	Women	29.4%
	%	Other	0
	%	Not stated	0
Total employees belonging to Top Management	headcount		17

	Unit of measurement	Age group	2025
Group employees (no.)	headcount	< 30 years	398
	headcount	30-50 years	1608
	headcount	> 50 years	2,307

Adequate wages (S1-10)

The compensation systems of the Italgas Reti Group are integrated and defined in accordance with the policies established for the entire Italgas Group. The Italgas Group ensures that all employees receive fair compensation through the application of the economic and regulatory provisions established by collective bargaining agreements.

The Italgas Group is committed to ensuring a remuneration policy in line with national and international best practices, which supports and promotes the development of the business and its people, and is consistent with the provisions of the Strategic Plan and the Sustainable Value Creation Plan and reflects the Group's values and culture. In particular, remuneration policies are evaluated taking into account the following elements:

- market benchmarks, with the support of independent and highly specialised advisors, using specific remuneration benchmarks updated at least annually, in order to ensure that all Group employees receive fair remuneration in line with the main market and governance practices;
- the leadership and performance model, which values the results achieved and the quality of the professional contribution according to the responsibilities assigned and the commitment required;
- the potential for personal development and professional and managerial skills.

The remuneration policy for the majority of employees is strongly meritocratic and defined in accordance with the principles of inclusion and plurality, equal opportunities, valorisation of people's knowledge and professionalism, fairness, non-discrimination and integrity laid down in the Code of Ethics.

In order to guarantee pay fairness, including in terms of gender balance, in 2024 Italgas refined the definition of gender pay gap and, with the support of the Appointments and Compensation Committee, developed a specific indicator aimed at reducing the Gender Equity Pay Gap, based on the principle of "equal pay for equal work", not only to promote fairness and justice in the workplace, but also to contribute to better motivation and satisfaction of employees in order to reduce turnover while at the same time attracting talent and improving company performance.

⁷⁴ The definition of Top Management includes the levels -1 and -2 reporting to the Group's Chief Executive Officer.

Social protection (S1-11)

Regarding social protection coverage for illness, unemployment, parental leave, workplace accidents, disability and retirement, all employees of the Group are covered by the relevant national legislation. All Group workers are guaranteed all social rights thanks to institutions linked to the state legal system (access to healthcare, maternity protection, pensions, etc.).

Persons with disabilities (S1-12)

In 2025, 5.5% of the workforce were people belonging to protected categories⁷⁵.

More specifically, of these 5.5%, 79.7% are men and 20.3% are women.

Training and skills development metrics (S1-13)

Italgas is aware that the main challenges of the digital transformation of the gas distribution sector are people-related, for this reason, the Group has included a commitment in its 2025-2031 Sustainable Value Creation Plan to continue investing in training activities (upskilling and reskilling), strengthening training programmes capable of anticipating the skills of the future and supporting the technological evolution of the business.

	2025 – Employees who participated in performance assessments							
	Headcount				%			
	M	F	Other	Not stated	M	F	Other	Not stated
Executives	13	3	0	0	50%	75%	0	0
Managers	107	27	0	0	62%	77%	0	0
Office Workers	1,017	270	0	0	52%	50%	0	0
Field Workers	885	0	0	0	56%	0%	0	0
Total	2022	300	0	0	54%	52%	0	0
Non-employees	0	0	0	0	0	0	0	0

	2025							
	Total hours of training delivered				Average hours of training provided			
	M	F	Other	Not stated	M	F	Other	Not stated
Executives	798	244	0	0	31	61	0	0
Managers	7,309	1,695	0	0	42	48	0	0
Office Workers	76,675	18,138	0	0	39	34	0	0
Field Workers	72,831	21	0	0	46	21	0	0
Total	157,613	20,098	0	0	42	35	0	0
Non-employees	45	0	0	0	22	0	0	0

In 2025, 2,323 employees of the Group participated in the performance evaluation process⁷⁶. The participation percentages reflect the fact that colleagues joining from 2i Rete Gas will be involved in the evaluation campaign starting from 2026.

A total of 177,711 hours of training were delivered, with an average of 41 hours per employee.

Health and safety metrics (S1-14)

The management system is structured and implemented according to the requirements of the international standards of reference. The regulatory instruments put in place contribute to regulatory compliance and to

⁷⁵ In Italy, employees belonging to protected categories are those referred to in Law 68/99;

⁷⁶ The percentage of employees who took part in the performance appraisal process was calculated based on the total number of employees, broken down by gender and job category.

ensuring the health and safety of the Group's people (employees, end customers, contractors, etc.) and accident⁷⁷ prevention.

The Group has an ISO 45001 system for the management of occupational health and safety, and 100% of employees are covered by occupational health and safety management systems, regardless of the type of contract.

Indicator	2025	
	No. of Employees	Non-employed workers
Number of accidents at work	10	0
Rate of accidents at work ⁷⁸	1.87	0
Number of cases of occupational diseases	11	0
Number of days lost due to work-related injuries, work-related illnesses and deaths as a result of illnesses	236	0
<i>of which were caused by accidents</i>	236	0
<i>of which were due to occupational diseases</i>	0	0

Indicator	2025		
	No. of Employees	Non-employed workers	Value chain workers (within Italgas Group sites)
Total number of deaths due to workplace accidents and occupational diseases	0	0	0
<i>of which were as a result of accidents</i>	0	0	0
<i>of which as a result of occupational diseases</i>	0	0	0
Indicator	2025		
	Type of employee	headcount	%
Workers covered by a Health and Safety management system in accordance with the law or recognised standards, and which has been either internally verified or externally certified.	Employee		
	Non-employee	n.a.	n.a.

Work-life balance metrics (S1-15)

The Group provides initiatives to support family and parenting needs.

Below are the figures on family leave for Group employees.

Family leave ⁷⁹	Gender	Unit of measurement	2025
Employees with access to family leave	All	%	100
Employees who have taken family leave	M	%	15.65
	F	%	3.80
	Other	%	0
	Not stated	%	0
	Total	%	19.45

Compensation metrics (pay gap and total remuneration) (S1-16)

Following the pathway initiated in the area of diversity and inclusion, the Group is committed to reducing the gender pay gap by monitoring it on an annual basis.

The gender pay gap values, calculated as the simple average of gross annual salaries⁸⁰ on an hourly basis by employee category, are shown below.

⁷⁷ An injury is considered an event that results in an absence from work of more than 3 days, according to the company procedure.

⁷⁸ Accident Frequency Index for group employees.

⁷⁹ In Italy, family leave is understood to mean compulsory maternity, paternity, or parental leave, as well as leave to care for family members with disabilities (Italian Law 104/92).

⁸⁰ The calculation of the gender pay gap excludes the remuneration of the General Manager and Chief Executive Officer, as their remuneration includes the portion attributable to both roles. Gross annual salary refers to the fixed compensation that the employee receives over the course of the year.

Gender pay gap	Unit of measurement	2025
Executives	%	5.9
Middle Managers	%	4.1
Employees	%	2.5
Manual workers	%	20.7
TOTAL	%	-5.6

The overall gender pay gap, considering the total annual⁸¹ remuneration paid to employees, is -2.3% for the Group. Finally, the ratio between the total annual remuneration of the Italgas Reti Group's CEO and the median total gross annual remuneration of the employees of the Group (known as the "pay ratio") is equal to 1:12.

Incidents, complaints and severe human rights impacts (S1-17)

As indicated in the Italgas Group's Human Rights Policy, as well as in the Code of Ethics and the Suppliers Code of Ethics, human rights are considered inalienable and essential prerogatives of human beings and the basis for the construction of societies founded on principles of equality, solidarity, the repudiation of war and protection of civil and political rights, social, economic and cultural rights and third-generation rights (right to self-determination, peace, development and the safeguarding of the environment).

The Group is committed to promptly identifying any incidents or episodes of human rights violations against its employees. Such episodes include cases of discrimination based on gender, ethnic origin, nationality, religion or any other belief, disability, age, sexual orientation or other significant forms of discrimination.

In 2025, there were no recorded incidents of discrimination, human rights violations or any other form of harassment.

During the year, no fines or sanctions were imposed as a result of incidents of discrimination or complaints received through the appropriate channels indicated above.

Through the whistleblowing channel (illustrated in detail in DR G1-1), 19 reports were received in 2025, related to the internal control system (process anomalies related to the application of procedures or instructions of the Group) and other issues (Model 231 – Code of Ethics). By 31 December 2025, 13 were filed, while 6 are still being processed. All reports are related to the Group. In detail, 2 of the 13 closed reports concerned violations of the employment contract, resulting in disciplinary measures including suspension from work and pay or a verbal reprimand; the other 11 were deemed to be unfounded, while the remaining 6 are still under assessment, while no risk profiles have emerged relating to offences linked to corruption, discrimination, harassment, privacy violations, conflicts of interest, money laundering or insider trading.

S2 – Workers in the value chain

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

The Group, aware of its central role in the supply chain as a key player in the spread of sustainable and responsible practices, is committed to driving change by incentivising virtuous behaviour and supporting the growth of a supplier network that is increasingly attentive to respect for human rights, environmental protection and the creation of inclusive and safe working conditions. Through its numerous engagement and listening

⁸¹The total annual remuneration is composed of the gross annual salary (RAL) plus the annual amount of variable remuneration and also includes all compensation elements that the employee receives on a continuous basis over time. For the purposes of the total annual remuneration analysis (pay ratio and gender pay gap), only employees who have worked for the entire year have been considered.

activities, the Group integrates the interests, rights and opinions of workers along the entire value chain into its strategy and business model. At the same time, it requires suppliers to comply with high ethical standards, with particular regard to human rights, and compliance is monitored through regular audits.

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

The Group recognises that the actual and potential impacts on value chain workers, as reported below, are closely related to its strategy and business model:

- Failure to respect the human rights of workers in the supply chain – upstream activities in the value chain, particularly in high-risk sectors such as the steel industry and the assembly of semi-finished products up to the extraction of raw materials, are exposed to potential human rights violations. For example, in the production of steel pipes involving suppliers operating in non-European countries with less stringent labour regulations. Although no supplier has been identified as being at significant risk of incidents of child labour and/or forced labour, Italgas pays great attention to verifying the working conditions of its suppliers and respect for human rights.

Type of workers: workers from supplier and sub-supplier enterprises in non-EU countries.

- Failure to respect diversity and equal opportunities for workers in the supply chain – upstream phases may potentially involve discrimination related to gender, age, ethnicity or religion, particularly in production sectors requiring skills and tasks that may create barriers to entry for female candidates.

Type of workers: female workers or workers from minority or fragile groups.

- Failure to protect the health and safety of workers in the supply chain – activities in upstream phases, such as operational activities related to the construction and maintenance of infrastructure carried out on sites by contractors and subcontractors, the production of components and the processing of materials (such as steel), and the extraction of those materials, expose workers to potential health and safety risks. These potential negative impacts derive mainly from workplace accidents due, for example, to the use of dangerous machinery and/or exposure to harmful substances that could occur due to inadequate management of health and safety rules or lack of specific training and adequate preventive measures.

Type of workers: workers involved in operational activities at production sites or construction sites.

These potential negative impacts are attributable to isolated and non-systemic events, also in view of the fact that most Italgas suppliers are based in Italy or where national regulations protecting workers' rights are in place.

To prevent and mitigate these impacts, the Italgas Reti Group has implemented the Italgas Group policies and procedures that include the regular review of contracts with suppliers as well as audits and assessments of working conditions, promoting the social responsibility of contractors along the entire value chain.

There are no risks or opportunities in relation to supply chain workers.

Policies related to value chain workers (S2-1, MDR-P)

The Italgas Reti Group has adopted the following Italgas Group policies for the management of material IROs related to workers along the value chain: the Human Rights Policy and the Suppliers' Code of Ethics.

The aim of these policies is to prevent potential harmful practices related to the violation of human rights such as forced and child labour, to promote equal opportunities and an inclusive work environment, as well as to protect health and safety.

The Italgas Group is committed to sharing these documents with its suppliers, requiring them to respect and promote its principles throughout their supply chain, with the involvement of subcontractors and other partners. The Italgas Group regularly monitors compliance through audits and ongoing assessments to ensure that these principles are adopted.

Furthermore, the Italgas Group promotes supplier engagement through training programmes and ESG initiatives aimed at supporting and guiding suppliers in the development of a sustainable supply chain.

The Human Rights Policy promotes, among the business partners, respect for and protection of fundamental rights, including civil, political, social, economic and environmental rights. These areas include the protection of dignity and non-discrimination, the promotion of safe working conditions and freedom of association, the prevention of exploitation and child labour, supply chain monitoring, health and safety, contributions to local communities and the protection of personal data.

The Suppliers' Code of Ethics defines the fundamental principles that must guide the relations between the Italgas Group and its suppliers, and provides for a zero tolerance policy towards any violation of human rights, reiterating that no corporate interest can justify behaviour contrary to ethical standards. Italgas reserves the right not to establish or to terminate at any time relationships with parties that do not comply with the provisions of the Group's Code of Ethics or the Suppliers' Code of Ethics.

The Supplier Code of Ethics governs compliance with regulations, fair competition, the prevention of corruption, the management of conflicts of interest, the confidentiality of information, human rights and equal opportunities, and the commitment to health, safety and environmental protection.

The human rights due diligence activities carried out by the Italgas Group involve both the operations of the Group's companies, including the Italgas Reti Group, and its suppliers.

The actions outlined and carried out by the Italgas Group throughout the Human Rights Policy and the Supplier Code of Ethics are developed, in line with the principles of the United Nations Global Compact, within the reference framework of the United Nations' Universal Declaration of Human Rights, the International Labour Organization Conventions and the OECD Guidelines for Multinational Enterprises.

The Italgas Group is also committed to protecting the rights of minors and children according to the Children's Rights and Business Principles.

In 2025, no cases of violation of the above regulatory principles involving supply chain workers were found.

Processes for engaging with value chain workers about impacts (S2-2)

In order to manage the real and potential impacts on workers in the supply chain, the Italgas Reti Group adopts a direct and continuous engagement approach through the Italgas Group based on numerous initiatives, including e-learning courses and face-to-face training, collaborative workshops and activities involving participation and engagement of SMEs.

The IG Academy for Suppliers, launched in 2024, is a training programme based on suppliers' training needs (identified through direct consultation) and aimed at promoting competencies on key topics such as energy efficiency, climate change, human rights, safety, digitisation and innovation.

To promote a safety culture among workers in the value chain and strengthen partnerships with suppliers, several meetings were organised during 2025 with more than 160 suppliers, focusing on Supplier Regulations, waste management and the analysis of high-risk safety activities identified during inspections, as well as the related prevention, monitoring and remedial measures.

Since 2025, the Italgas Group has launched a development and growth programme with its suppliers, known as “capacity building”, involving numerous Group suppliers.

An initiative designed to support and guide strategic suppliers along a path of sustainable development and the sharing of best practices across the entire supply chain. The initiative has a dual objective: ensuring the achievement of Italgas’ ESG objectives and promoting a more responsible and competitive business ecosystem. In addition, it promotes the participation of suppliers in training courses organised by associations to which the Group belongs, such as “Valore D”, PA.RI., Global Compact Italia and “Sustainability Makers”.

The operational responsibility for ensuring that engagement with workers in the value chain is effective is entrusted to the Procurement Department, which coordinates and liaises with the various company departments to ensure that the initiatives are properly implemented.

To assess supplier performance across all procurement phases, the Group uses the Italgas Group monitoring system based on Vendor Rating 360°, which includes indices and criteria such as the Operational Rating, reputational verification, the ESG score, the financial soundness index and the HSE score. This approach provides a measure of the effectiveness of audit, training and workshop activities on supplier performance throughout the procurement stages.

The Italgas Group adopts a series of measures to understand the perspectives of particularly vulnerable or marginalised workers in the value chain. During the phase of qualification and participation in competitions, suppliers are required to provide ISO certifications attesting to the creation, application and maintenance of a work management and organisation system that complies with specific internationally recognised standards of reference, thus ensuring employment organisation that respects workers’ fundamental rights. In addition to the mandatory certifications for high-complexity procurement categories (ISO 9001 for quality management systems, ISO 14001 or EMAS for environmental management systems, ISO 45001 for health and safety management systems), the Group considers, as awarding criteria in tender procedures, other certifications relating to environmental, social and governance impacts across the entire supply chain, such as SA8000 on social responsibility, UNI/PdR 125 on gender equality, ISO 37001 for the adoption of an Anti-Corruption Management System, and product certifications (EPD, ISO 14067, ISO 14064). During the tender phase, suppliers must disclose information on the gender composition of the company’s workforce and demonstrate regular payment of wages and contributions. Finally, through on-site audits, Italgas monitors the conditions of workers with particular attention paid to respect for human rights and procedures regarding the health and safety of its most vulnerable workers.

Processes to remediate negative impacts and channels for value chain workers to raise concerns (S2-3)

The Group adopts a responsible approach to the management of remedial measures for any negative material impacts on workers in the value chain caused or influenced by its activities. The remediation process includes the assessment of the impact, in compliance with the applicable legislation on joint liability in contracting arrangements, and the possible involvement of trade union organisations in implementation of the Industrial

Relations Protocol, in order to ensure that the measures adopted effectively address the needs of workers in the value chain who may be affected.

The effectiveness of the remedies is evaluated through internal checks with the managers of the procurement contracts and constant monitoring of any effects. When necessary, this process includes discussions with the trade unions, in order to ensure that the solutions adopted have effectively resolved the issues identified. By doing so, the Group ensures that the remedies provided are adequate and consistent with its standards of social responsibility applied throughout the value chain.

The Italgas Reti Group adopts the Italgas Group's Whistleblowing Procedure, that allows workers in the value chain to directly report any concerns or irregularities. This procedure is described in detail in data point G1-1 10.

The Italgas Group supports and requires information about the availability of reporting channels in the workplace within the value chain.

Currently, there is no structured process to assess the awareness and level of trust of workers in the value chain with regard to these channels.

Taking action on material impacts on value chain workers, and approaches to managing material risks and pursuing material opportunities related to value chain workers, and effectiveness of those actions (S2-4)

The Italgas Reti Group promotes a sustainable value chain through the Italgas Group's supplier qualification system based on a sustainability questionnaire. This tool provides an overview of certifications, management systems, company information and working conditions. The checks are carried out by the Italgas Group's Supply Chain Sustainability department with the support of third-party companies in accordance with the ISO/IEC 17021-1:2015 standard, and include ESG audits for analysing human rights, working conditions, consumption and environmental impact. At the end of the audits, any critical issues are classified into three levels (Minor, Serious, Critical), with an action plan shared and monitored with the supplier to evaluate its effectiveness.

In 2025, 50 on-site ESG audits were carried out at the Group's suppliers.

The Group adopts initiatives to improve safety and reduce accidents, involving employees and suppliers in awareness-raising meetings and through Group-level bodies such as the CCRLSA (Company Safety Workers' Representative Coordination Committee) and IPA Training (Joint Company Institution) to promote a shared culture of safety.

Supplier performance management is governed by the Supplier Regulations and monitored through technical and operational audits, which guarantee adequate working conditions and compliance with standards.

Since 2021, training programmes have been launched for first and second level suppliers (Tier I and Tier II), offering courses, workshops and webinars through the dedicated Academy, which aims to improve the capabilities of suppliers and promote socio-economic development within the territories in which it operates.

During the twice-yearly Supplier Conference, common objectives and challenges are shared.

In the event of any negative impacts, such as violations of workers' rights or accidents at work, the Italgas Group analyses the causes, supports the supplier in preventive measures and monitors the effectiveness of corrective actions. Supplier compliance is guaranteed through audits, reputational checks and, if necessary, measures such as suspension or termination of the contract. Before reaching the termination of the contractual

relationship, precautionary and gradual approach (warning and suspension) is adopted to avoid compromising workers' conditions.

To date, no material violations of workers' rights have emerged. The data collected, such as those concerning the reduction in "non-conformities", the identification of "near misses" and the improvements detected by workers of suppliers through surveys relating to ESG issues, confirm the effectiveness of the actions taken in promoting a responsible and sustainable value chain.

In the 2026-2031 reference period, OpEx costs of approximately 655 thousand euro are expected for the management of ESG audits, training, consultancy and conventions in order to support the achievement of the related objectives⁸². In 2025, operating costs relating to this topic amounted to approximately 111.7 thousand euro of OpEx.

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

The Group has not identified any risks or opportunities of financial significance to the workers in the value chain.

There have been no significant events regarding the violation of human rights by suppliers or other workers in the value chain in the last 4 years.

Targets related to managing material negative impacts, advancing positive impacts, and managing material risks and opportunities (S2-5, MDR-T, MDR-M)

The Italgas Reti Group contributes to achieving the Italgas Group's targets to guaranteeing responsible and sustainable management along the value chain.

TARGET	Target scope ⁸³	Base year	Target	Target year	Year of reporting (2024)	Year of reporting (2025)	Type of target
					%	%	
Significant suppliers ⁸⁴ Assessed on ESG topics	Italgas Group	-	100%	2026	80% ⁸⁵	90%	relative
Significant suppliers for Sustainability subject to ESG audits in the field (including human rights compliance)	Group Italgas	2024	100%	2028	17% ⁸⁶	32%	relative

The targets have been defined within the reference framework of the United Nations Universal Declaration of Human Rights, the fundamental Conventions of the International Labour Organization, the OECD Guidelines for Multinational Enterprises and on the basis of benchmarks with other operators in the sector.

In line with the Sustainable Value Creation Plan, the targets relating to the value chain contribute to the reduction of potential negative impacts on the supply chain through the promotion of best practices in sustainability. The targets refer to suppliers at high risk for Sustainability, defined as those suppliers of strategic importance for the core business at potential risk of non-compliance with their contractual obligations regarding sustainability, whose turnover represents approximately 80% of the total turnover.

⁸² Value expressed net of personnel costs

⁸³ The targets refer to the scope of the Italgas Group companies consolidated using the line-by-line method as of 2025.

⁸⁴ For the definition of significant suppliers (Tier 1), reference should be made to the section "Supplier relationship management (G1-2)".

⁸⁵ The percentage is calculated as the ratio of significant suppliers involved in training activities and/or having completed the ESG questionnaire to the total number of significant suppliers for Italy and Greece. Water suppliers were included in the 2025 calculation.

⁸⁶ The percentage is calculated as the ratio of the number of high sustainability risk suppliers audited to the total number of high sustainability risk suppliers.

Suppliers are indirectly involved in defining targets throughout the year, through sectoral workshops and events such as the Supplier Conference and challenges open to start-ups and SMEs aimed at improving performance (Ideas4Italgas).

The monitoring of targets is carried out through the constant tracking of supplier performance, from the evaluation during the qualification phase (ESG score) to the verification in the field (ESG audit). Training activities are provided to support improvement plans for the gaps identified during both the evaluation and audit phases.

S3 – Affected communities

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

The Group considers dialogue with local areas and communities a central element of its way of operating, recognising their needs, rights and expectations as key factors in shaping its strategy and developing its business model.

The impact related to asset integrity is closely linked to the local community, as it may involve potential gas leaks that could lead to explosions or fires, with serious consequences for the local population. No risks or opportunities with significant financial impact have been identified concerning this issue. Communities potentially impacted are represented by all citizens living in the Italian municipalities whose gas distribution network is managed by the Company and its subsidiaries; these impacts are associated with specific potential incidents and not with systemic impacts. It has not been possible to identify specific individuals or groups of individuals within these communities with particular characteristics that would make them more likely to be affected, as the potential impact applies to the entire local community, with no significant distinctions between individuals.

The impact relating to the limited capacity to modernise, digitise and adapt infrastructure to receive green gases may have negative effects on the communities served. In particular, a potential slowdown in the modernisation of the network could compromise the continuity and reliability of the service, with potential adverse effects on the well-being of local communities and negative repercussions on the timing and effectiveness of the energy transition. No risks or opportunities with a significant financial impact have been identified in relation to this topic. In assessing the financial significance for the identification of relevant risks and opportunities, an analysis was conducted that identified events, such as the risk of accidents or malfunctions that can cause temporary service interruptions, but whose impact and probability are not sufficient to make them relevant. For further discussion, refer to ESRS 2 SBM-2 and SBM-3.

Policies related to affected communities (S3-1, MDR-P)

As this is a central issue for the proper performance of its gas distribution activities, the Group refers to a very comprehensive internal regulatory framework. The procedures refer to the maintenance activities of assets, emergency management, and other field operations, which allow constant monitoring of the network and prompt intervention in case of reports and incidents. Such procedures are explicitly geared toward compliance with current regulations, which set minimum standards for safety and operational efficiency. However, the Group does not limit itself to applying regulatory provisions: as indicated in DR S3-5, the Company has set

ambitious targets reflecting its intention to ensure higher levels of efficiency, safety and sustainability, distinguishing itself through the adoption of practices that not only meet regulatory requirements but also contribute to further mitigate both the impact related to asset integrity on local communities and the impact connected to the limited capacity for modernisation and digitisation of infrastructure.

Top Management is ultimately responsible for implementing procedures that govern technical and operational activities, reporting directly to the CEOs of the companies responsible for gas distribution. The internal procedures also refer to the relevant legislation that is directly issued by the public Authority through ARERA (in Italy).

The procedures are not only made available to all the staff specifically involved in network maintenance, control and emergency response, but also to the rest of the Group workforce. The reference principles of the Group for the protection of rights relating to impacts on health and safety associated with asset integrity events are guided by the principles established in the OECD guidelines for multinational enterprises, the United Nations Guiding Principles on Business and Human Rights and the fundamental Conventions of the ILO. Furthermore, the Italgas Group, of which the Group is a part of, is a member of the United Nations Global Compact (UNGC) programme. The Italgas Group's Human Rights Policy also applies to the Italgas Reti Group, ensuring the protection of the rights of local communities in the areas where the Italgas Reti Group operates. For further information on Human Rights Policy, refer to DR S1-1. In the event of an asset integrity incident, the Group immediately involves the local community through contacts with the relevant municipal administration. The Group has facilities dedicated to on-call and emergency response, with staff who are specially trained to manage critical situations. Furthermore, two centralised command and control rooms (the Plants and Networks Command and Control Centres, located in Turin and Florence) operating 24 hours a day, guarantee constant support for the management of the distribution system. The Group operates in areas where there are no indigenous populations.

To strengthen its commitment to reducing the environmental impact of its activities and, at the same time, promoting the energy transition in the areas where it operates, in 2024 the Italgas Group adopted the Climate Change Policy, based on two fundamental pillars: mitigation and adaptation.

Within the framework of climate change mitigation, the Group works to reduce emissions through the digitisation and continuous modernisation of the gas distribution network, in order to enable the dispatching of renewable gases such as hydrogen and biomethane and, at the same time, to ensure the optimisation of operational efficiency and network safety.

Processes for engaging with affected communities about impacts (S3-2)

The Company adopts a structured and continuous dialogue with local communities, managed through the Local Institutional Relations (LIR) Department of the parent company Italgas S.p.A., which interacts directly and continuously with municipal administrations to collect and respond to the needs of the community. Among the various topics dealt with, a significant amount of time is dedicated to asset integrity (e.g. the extension of the gas distribution network, the management of sensitive users such as schools, etc.). In emergency situations, such as the temporary suspension of services or accidental pipe breakages, the Local Institutional Relations Department coordinates the dialogue with local administrations and the response to actions taken to minimise the impact. The LIR Department is responsible for actively involving municipal administrations and, when necessary, groups of citizens, in order to ensure that company activities are consistent with the needs

of local communities, particularly with regard to aspects such as safety and prevention. This activity is also carried out in the context of the implementation of innovative investments, such as the construction of the Hyround plant in Sardinia, or the introduction of significant technical and operational innovations, such as Picarro technologies, 3D Asset Mapping and Green Sites. This engagement may take the form, where necessary, of participation in “open” municipal council meetings or other forms of dialogue, direct or mediated, with the citizens of the municipalities served. With this in mind, the Italgas Group is also committed to meet with a number of local administrations each year that are representative of at least 40% of all re-delivery points. The Head of the LIR Department ensures that the involvement is continuous and that the results are also used in making company decisions. Since the topics dealt with are extremely varied, the approach to evaluating the actions is flexible and not standardised, in order to respond in an flexible and adequate manner to the specific needs of each situation, based on direct contacts with the members of the administrations.

Processes to remediate negative impacts and channels for affected communities to raise concerns (S3-3)

The Italgas Group has adopted procedures and activities aimed at minimising gas leaks, which could generate potential problems for its infrastructure. In the event of an emergency, the Group has emergency response teams that are able to identify and resolve any issues that arise. Italgas provides various communication channels to facilitate direct dialogue with local communities and ensure effective management of any issues. Specifically, the companies have a toll-free number that is active 24 hours a day, 7 days a week: this channel activates the emergency response structure for any potential asset integrity hazard reported by the community. In addition to the specific channel for reporting gas leaks and faults, the Group has another toll-free number and a dedicated section on its web portal for complaints and various reports. All the above toll-free numbers related to emergencies, as well as commercial communication, are listed on the company's websites and are printed on the bills of end customers.

The Group constantly monitors the KPIs relating to contacts from these channels; calls relating to emergency service reports are also monitored to ensure that at least 90% of them are handled within 120 seconds, as required by the Authority.

Taking action on material impacts on affected communities, and approaches to managing material risks and pursuing material opportunities related to affected communities, and effectiveness of those actions (S3-4, MDR-A)

The Group constantly applies measures to guarantee the safety and reliability of the gas distribution network, minimising the risk of potential accidents and negative impacts on the surrounding communities. The main actions taken include predictive maintenance of the network, which allows for constant monitoring of the network's condition and identification of potential signs of wear or malfunctions before they become problematic; research and monitoring activities on fugitive emissions, including the development of operational guidelines that standardise the response to gas leaks. During the year, the Italgas Group continued its usual emergency response activities, with staff who are specially trained to manage critical situations. Two Plants and Networks Command and Control Centres (located in Turin and Florence) operate as centralised command and control rooms, operational 24 hours a day, guaranteeing constant support for the management of the

distribution system. Each emergency call means that a specialised technician will arrive on site within 1 hour to ascertain and, if necessary, resolve the anomaly reported by the user.

In the event of any emergency relating to the integrity of the distribution network, the Group has emergency response teams that are able to identify and resolve the issues presented.

The Group reports all the operational KPIs relating to network investigation to the Top Management on a monthly basis in dedicated meetings (Sustainability Business Review and the Operational Committee). In addition, Italgas periodically communicates its asset integrity results in response to requests from regulatory bodies.

The Group has Territorial Emergency Plans, related to each individual distribution plant, where equipment, tools, companies operating in the area, public authorities and entities, sensitive Customers/Entities, reduction groups, interceptor valves, critical points (pipes crimped on bridges, in crossings of important river basins, active fronts of landslide movements, etc.) are identified, allowing for a complete view for handling any emergencies.

To manage this impact, the Group allocates both financial and human resources to manage any emergency in the territory according to the deadlines set by the authorities.

Future financial resources allocated for the management of the issue and the achievement of the objectives amount to 4,264.2 million euro of CapEx and 753.7 of OpEx in the 2026-2031 reference period. In 2025, 502.3 million euro of CapEx and 81.2 million euro of OpEx were spent. These values mainly refer to inspection and maintenance activities and to the Emergency Service activities.

These CapEx are indicated in this document in Note 13 “Property, plant and equipment” and Note 14 “Intangible assets” of the Consolidated Financial Statements; the OpEx, on the other hand, are indicated in Note 28 “Total costs and other expenses” of the Consolidated Financial Statements.

Furthermore, with regard to the impact related to the limited capacity for infrastructure modernisation and digitisation, the Group has identified the digital transformation of networks as the main enabler of the future of energy. Smart, digital and flexible networks are in fact the essential condition for receiving and managing renewable gases such as biomethane, hydrogen and synthetic methane in a safe and efficient manner. The development of these green gases promotes local energy production, triggers circular economy models and enables a concrete response to the energy trilemma: security of supply, through the diversification of sources; environmental sustainability, through the use of low- or zero-emission gases; cost competitiveness, made possible by the production and development of resources at local level. In this context, the digitisation of infrastructure is not only a technological factor but a strategic element for supporting the energy transition and generating value for communities.

In the Strategic Plan 2025-2031, the Italgas Group has planned investments of 3.1 billion euro dedicated to digitisation and the integration of AI solutions, with the objective of completing the technological transformation of infrastructure management processes. Among the main solutions adopted is the proprietary DANA platform, which enables the remote management of 100% of the network already included within the Group’s perimeter prior to the acquisition of 2i Rete Gas, through continuous monitoring and timely intervention in the event of anomalies. A further example is represented by the programme for the large-scale replacement of traditional meters with Nimbus, Italgas’ proprietary meter, which stands out for its advanced smart metering functionalities that allow local communities to benefit from a high level of transparency and reliability in billing processes.

With respect to renewable gas, the number of biomethane plant connections is increasing: currently 12 plants are already connected to the Italgas network, 50 are under construction, with the objective of reaching a capacity of 1.2 bcm/y injected into the network from connected plants by 2030. The Group is also developing three reverse-flow projects across the national territory, which will make it possible to overcome biomethane absorption constraints in the local distribution network, thereby facilitating additional plant connections.

The Group's network is already compatible with hydrogen blends of up to 2% and can reach 20% with minimal adaptation interventions. Among the initiatives developed by the Italgas Group, particularly significant is the Hyround plant, commissioned in 2025, which will enable the production of up to 70 t/y of hydrogen at full capacity and the use of this gas in the following three end uses: in pure form for transport through a refuelling station, in blends of up to 20% for injection into the urban distribution network, and as fuel for local industry. Green gases allow communities to receive renewable energy through the existing supply, promoting a sustainable transition without structural modifications.

During the reference period, no serious human rights issues or incidents were reported in relation to the communities concerned.

Targets related to managing material negative impacts, advancing positive impacts, and managing material risks and opportunities (S3-5, MDR-M, MDR-T)

To assess its performance in managing the asset integrity, Italgas uses KPIs that are derived from specific regulatory requirements established by ARERA.

Italgas' targets in this area refer to these KPIs but have a much stricter performance level than what is strictly required by the regulations, with the goal of achieving the operational efficiency and safety objectives for the Group and local communities as outlined in the company procedures managing the issue.

The objectives and corresponding performance for 2025 for Italgas Group are presented below:

Target ⁸⁷	Scope	Annual ⁸⁸	2028	Progress		Type of target
				2025		
				%	Absolute value	
Network inspection % of networks subjected to annual planned inspection for gas leaks ⁸⁹	Gas distribution	100% ⁹⁰	200%	183% on a like-for-like basis compared with 2024 141% including the former 2i Rete Gas network	N/A	Relative
Emergency assistance % of interventions carried out on site, with emergency intervention performed within 60 minutes	Gas distribution	98% ⁹¹	N/A	99.49%	N/A	Relative

⁸⁷ ARERA/RAE may conduct control activities on the values of the KPIs indicated and communicated to ensure their accuracy. Based on these KPIs, Italgas sets its own targets related to asset integrity. ARERA/RAE, as public authorities, can be considered representative bodies of the impacted communities.

⁸⁸ The targets refer to the scope of the Group companies consolidated using the line-by-line method as of 31 December 2024.

⁸⁹ Value calculated as the ratio between the linear extension of the networks inspected in the calendar year and the total extension of the Group's gas networks.

⁹⁰ ARERA Target: network inspection equal respectively to 100% in the 3 mobile years for high and medium pressure networks and 100% in the 4 mobile years for low pressure networks; RAE target: 2-4 times a year for ductile networks in densely populated areas, while targets for other types of networks vary from once a year to once every 4 years, depending on the characteristics of the network.

⁹¹ ARERA targets: > 90%; RAE target: >90% within 120 minutes, without exceeding the 240 minutes in any case.

The impacted stakeholders, namely the local community, indirectly participate in the definition of Italgas' asset integrity targets, as the competent public authority, ARERA/RAE, sets specific legally binding performance standards, which are far lower than the more ambitious target levels set by Italgas. For performance monitoring and analysis, which allows the Group both to identify areas for improvement and implement corrective actions to further reduce risk areas, and to report results in response to requests from regulatory bodies, Italgas uses advanced technologies and digitised processes to constantly monitor the network and minimise the likelihood of incidents concerning asset integrity. It also uses smart maintenance principles and Picarro CRDS technology, which allows for extremely accurate monitoring of the network's conditions.

To assess its performance in relation to infrastructure modernisation and digitisation, Italgas uses the KPIs included in the Sustainable Value Creation Plan. In particular, the KPIs of Italgas Group used were:

Target	Target year	Target Value	u.o.m.	Progress status		Type of target
				2025		
				Absolute value	%	
Biomethane distribution Million Sm ³ /year of biomethane distributed from production plants connected to the Group's distribution network	2030	1,200	mIn Sm ³	20	N/A	Absolute
Production and distribution of green hydrogen Tonnes of green hydrogen produced and distributed in the Group's P2G pilot plant in Sardinia.	2030	290	tonne	1.8	N/A	Absolute
Digitisation of the distribution networks % of city gates in the gas distribution network digitised and capable of being monitored through DANA by 2025 in Italy (former perimeter)	2025	100	%	N/A	100%	Relative
Digitisation of the distribution networks % of district governors digitised and remotely monitored through DANA by 2025 in Italy (former perimeter)	2025	95	%	N/A	95%	Relative
Digitisation of the distribution networks % of assets digitised by 2025 and remotely monitored through DANA4Greece by 2026 in Greece	2026	100	%	N/A	100% of assets digitised	Relative

Italgas' strategy is aimed at building an increasingly digitalised and innovative infrastructure, with the objective of generating concrete and lasting benefits for local communities, while promoting the sustainability, quality and safety of the services provided across the territory.

8.4 Governance information

G1 – Business conduct

The role of the administrative, supervisory and management bodies (ESRS 2 GOV-1 ESRS G1)

Italgas Reti's administrative and corporate bodies, management and Supervisory Body play crucial roles in ensuring the compliance and integrity of the company's operations. These bodies work together in synergy to ensure that the Group operates in a way that is ethical, transparent and compliant with regulations, thus contributing to the Company's sustainability and growth. In particular, the Board of Directors defines the

strategic guidelines and corporate objectives, while the Board of Statutory Auditors supervises, among other things, compliance with the law and the articles of association, adherence to the principles of proper administration and the adequacy of the administrative and accounting system. The management of the Group, guarantor of transparency and honesty in compliance with the rules protecting competition, is responsible for implementing company policies and procedures in accordance with the Code of Ethics. The Supervisory Body of Italgas Reti, appointed by the Board of Directors, has autonomous powers of initiative and control. Its tasks include monitoring the effectiveness of Model 231 and the Code of Ethics (in collaboration with Management), analysing their adequacy and functionality over time, and approving the annual programme of supervisory activities. In addition, it examines the results of the activities carried out and verifies the information flows with the company departments and corporate bodies, ensuring that the Group maintains high standards of corporate conduct and regulatory compliance. The members of the Board of Directors and the Board of Statutory Auditors have significant experience in the fields of finance, industry, ESG and Climate Change, Audit, Enterprise Risk Management, People and HR, and Governance.

Description of the processes to identify and assess material impacts, risks and opportunities (ESRS 2 IRO-1)

In the process of identifying material Impacts, Risks and Opportunities in relation to its corporate conduct, Italgas considers criteria that include the location and type of its activities and the reference value chain. For further discussion, see ESRS 2 IRO-1.

Corporate culture and business conduct policies (G1-1, MDR-P)

For the management of IROs relating to corporate conduct, Italgas Reti S.p.A. has various regulatory documents, including the Code of Ethics – a document that describes the values and responsibilities that the Italgas Group recognises, accepts and shares, both internally and externally – the Organisation, Management and Control Model pursuant to Legislative Decree 231/2001 (Model 231), a Corporate Compliance Policy that outlines the principles and objectives that inspire the management systems for the prevention and combating of corruption, Compliance (adopted by the parent company Italgas S.p.A.) and reporting. In particular, the Policy for the prevention and fight against corruption is based on the following principles: 1) Oppose without exception any practices of corruption, illicit favours, collusive behaviour, or solicitations, whether direct or through third parties, for personal or career advantages for oneself or others; 2) Conduct activities in compliance with anti-corruption laws, all other administrative requirements, and any additional and improved corporate regulations; 3) Develop and implement all necessary organisational and procedural solutions to prevent and combat corrupt practices; 4) Select and promote the development of suppliers in accordance with the principles of this policy, requiring them to maintain behaviour consistent with it.

The Policy is also adopted in compliance with the requirements set out by the UNI EN ISO 37001:2016 standard, "Anti-bribery management systems – Requirements and guidance for use", and the tenth principle of the Global Compact, which states that "businesses should work against corruption in all its forms, including extortion and bribery". Italgas considers the development and maintenance of the aforementioned documents and its management systems as fundamental tools for raising awareness and engaging employees and stakeholders, as well as for improving its processes. With this in mind, the objectives of the policy are the following:

(i) the minimisation of the risk of violations that could expose the organisation to sanctions, financial damage and damage to its reputation;

(ii) increasing stakeholder confidence in the organisation's ability to carry out its activities in accordance with applicable regulations and highlight any non-compliance.

With a view to transparency and collaboration, including with regard to stakeholders, the Code of Ethics (<https://www.italgas.it/en/investors/governance/business-ethics/ethical-code/>) and the Policy (<https://www.italgas.it/en/investors/governance/business-ethics/anticorruption-procedure/>) are published on the company intranet and on the Company's website, making them accessible to anyone who is interested. For more information, refer to DR S2-2 and S2-3. In accordance with the provisions of the UNI ISO 37001:2016 standard, the Company has identified company positions with a corruption risk higher than low, in relation to which annual checks are carried out both by the internal departments set up for this purpose and by the external certification body DNV. The above-mentioned Departments are the first levels of the organisational structure of the Company. Furthermore, Italgas Reti S.p.A. undertakes to ensure that its directors, auditors, management, employees and all those who work to achieve the company's objectives respect the fundamental principles of the Code of Ethics, as essential behaviour for the efficiency, reliability and reputation of the company. Italgas Reti S.p.A. is committed to raising awareness of corporate conduct issues, providing training - through its parent company Italgas S.p.A. - on the company's Code of Ethics, Corporate Compliance Policy, Model 231, the reporting procedure and management systems dedicated to the prevention of corruption, as well as encouraging whistleblowing and compliance, and requiring acceptance of and compliance with the principles contained therein. These initiatives are aimed at its own staff and relevant stakeholders, using internal communications and specific training programmes, delivered both in the classroom and via e-learning. The Supervisory Body also supervises the effectiveness of training on the Code of Ethics. The Code of Ethics and the Corporate Compliance Policy apply to Italgas Reti S.p.A.'s staff and its business partners; the ultimate responsibility for the implementation of the above-mentioned documents lies with the Board of Directors and the CEO.

Similar provisions apply to the subsidiary Medea S.p.A.

In accordance with European regulations on whistleblowing (EU Directive 2019/1937) and their respective national implementations, the Italgas Group has implemented a new platform for managing reports regarding, for example, working conditions, discrimination, human rights violations, and safety.

The platform⁹², available in Italian, English and Greek, allows the reporter to choose whether to send anonymous or identifiable reports, either in written or oral form. In the case of oral alerts, the channel ensures the protection of the whistleblower's voice. Sensitive data are treated with the utmost care and in full compliance with the GDPR. Even for anonymous reports, it is possible to communicate with whistleblowers through a secure mailbox to obtain further information or confirm receipt of the report.

The Procedure is widely disseminated both internally, through publication on the company intranet, notice board postings, and training activities (especially for new hires), and externally via the company's website (<https://www.italgas.it/en/governance/business-ethics/reporting-procedure/>).

Specifically, the Whistleblowing Management System aims to:

- encourage the reporting of suspected violations of regulations in good faith, or based on reasonable belief, without fear of reprisals;

⁹² <https://segnalazioniwhistleblowing.integrityline.com/>

- support and protect whistleblowers and other stakeholders involved;
- reduce the risk of misconduct.

The management of reports and the related data processing for privacy purposes is carried out by each Italgas Group company through its own internal offices or through outsourcing arrangements by way of specific service contracts. The platform offers adequate guarantees to protect the confidentiality of the identity of the whistleblowers, the persons involved and the persons mentioned in the reports, as well as the contents of the reports and the related documentation.

The platform is accessible exclusively by the Internal Audit Department of Italgas S.p.A., which forwards the reports, depending on their nature, to the Supervisory Body of the company concerned, to the Reporting Committee or to the Qualified Reporting Committee.

In addition, the reporting channel allows the Italgas Group to provide feedback to the whistleblower on the actions taken within 90 days of the report. To ensure that they are known and accessible, the company communicates the procedures and indicative management times transparently.

Management of relations with suppliers (G1-2)

The Italgas Group has implemented a structured workflow for managing the procure-to-pay cycle. Upon receipt of an incoming invoice, a verification and approval process begins, based on predefined thresholds and authorisation levels, before the invoice is recorded in the accounting system. The procedure ensures that, except in specific cases, authorisation and payment processing are carried out within standard contractual terms based on the invoice due date. In cases where invoices are disputed or under review, the process is suspended until the issue is resolved. For further details on the Italgas Group's approach to supplier relationships and assessments related to sustainability issues, including social and environmental criteria for supplier selection, please refer to DR S2-4.

Prevention and detection of corruption and bribery (G1-3)

The Group has implemented a structured system to prevent, detect and address risks and any potential incidents of corruption, based on various internal regulatory instruments and an integrated Corporate Compliance policy:

- Corporate Compliance Policy, which illustrates the principles and objectives regarding the prevention of and fight against corruption, integrated compliance and reporting, aiming at an integrated compliance system to prevent and manage the risks of non-compliance;
- Anti-Corruption Compliance Standard, which provides a systemic framework of reference for internal anti-corruption regulations and describes how to prevent and manage any episodes of corruption;
- Compliance Standard "Reports received by Italgas and its subsidiaries that regulates the process of receiving, analysing and handling reports of conduct that is illegal or in conflict with the Code of Ethics and/or Model 231.

Within the Group, investigations into possible corruptive events are mainly carried out independently by the Supervisory Body, which is made up of individuals from outside the organisation and has unlimited access to company information for investigation, analysis and control activities. Investigations may be carried out with the support of the Internal Audit and Security Departments of Italgas S.p.A. and any other departments – including those of the parent company Italgas S.p.A. – that may be necessary for the investigations. The Anti-

Corruption Management System, in accordance with ISO 37001, requires the annual sharing of the Review Report by the Compliance Department for the Prevention of and Fight Against Corruption with the Supervisory Body, the Board of Statutory Auditors and the Board of Directors. The Report documents the results of the monitoring of the management system, including any detected episodes of corruption and the related management methods. The Group is committed to raising awareness of the Anti-Corruption Management System among its employees and suppliers. This objective is pursued through specific training programmes, delivered in the classroom or via e-learning – through the relevant departments of the parent company Italgas S.p.A. – which are updated periodically and, in any case, at least every three years, and involve all Italgas Group staff. Furthermore, the Italgas Group provides anti-corruption training to its suppliers that do not have an adequate training programme in this area, which is required for the purposes of qualification. Periodically, classroom training sessions are held (administrative responsibility of entities - Legislative Decree 231/2001, code of ethics and anti-corruption) involving all the top management of the Group Companies, i.e., CEOs and their front lines⁹³, who represent the corporate functions with higher than low risk of corruption according to the anti-corruption risk assessment matrix. The topics covered in the training are administrative responsibility of entities, the Corporate Compliance Management Systems adopted, the code of ethics as well as the system of sanctions provided for violation of the same. Anti-corruption training covers both active and passive corruption, both public and private, with relevant examples. The training is updated at least every 3 years. Upon accepting their office, members of the administrative, management and supervisory bodies are given the relevant internal regulatory instruments and sign a declaration in which they undertake to know and abide by its principles.

Confirmed incidents of corruption or bribery (G1-4)

In 2025, there were no convictions or commuted fines for corruption or bribery incidents. In any case, the internal regulatory instruments provide for the application of disciplinary sanctions – up to and including dismissal for just cause – in the event of a violation of the internal anti-corruption policy and procedures, depending on the severity of the violation⁹⁴.

Political influence and lobbying activities (G1-5)

With regard to advocacy activities, the Italgas Group has defined clear roles and responsibilities for their management: the final responsibility for this lies with the Head of Institutional Relations and Regulatory Affairs, as there is no member of the corporate bodies with specific delegated powers regarding these issues. The issue at the basis of advocacy, lobbying and stakeholder engagement activities centres around the recognition of innovation and digitisation of the gas infrastructure as essential elements to enabling networks for the distribution of renewable gases, thus contributing to energy transition.

Below is an overview of the specific issues addressed during 2025 and any references to the related legislative dossiers:

- the strategic prospects for natural gas distribution infrastructures and their digital transformation;
- the role of biomethane and renewable gases (hydrogen) in the energy transition process;

The percentage of at-risk departments covered by the training programmes is 100%.

⁹⁴ During 2025, no events of dismissal for just cause due to violation of the internal anti-corruption policy and procedures were recorded.

- the redefinition of incentive schemes for biomethane production, in view of the expiry of the measures provided for by the PNRR (June 2026)
- the inclusion of road transport activities in the “virtual pipeline” provided for in the Decree of the President of the Council of Ministers identifying the works and infrastructure necessary for the phase-out of coal use in Sardinia and for the decarbonisation of the island’s industrial sectors, and the related tariff regulation;
- participation in public conferences, such as Biogas Italy and Biomethane Connect Europe, in Paris, in March 2025, concerning the strategic role of biomethane in the Italian and European context;
- the revision of the competitive system for the award of gas distribution concession tenders;
- participation in European public consultations on the European Grid Package and the Citizens Energy Package – protecting and empowering consumers in the just transition;
- participation in European roadmaps on: European Water Resilience Strategy, European Grid Package, EU Strategy to Boost Global Climate and Energy Transition, Citizens Energy Package – protecting and empowering consumers in the just transition;
- contribution to the definition of the governance rules relating to the integration of gas distribution within the DSO Entity referred to in Regulation (EU) 2024/1789.
- support and expediting activities for funding that has already been allocated for: methanisation in Southern Italy (gas), investments funded by the National Recovery and Resilience Plan (hydrogen filling stations), the Development and Cohesion Fund.

The parent company Italgas S.p.A. is registered in the European Union Transparency Register under identification number 477543424417-73, where the contributions provided to the development of European legislation can be consulted.

The Group does not make contributions to political figures or groups, either in cash or in kind; nor is Italgas legally obliged to register with a chamber of commerce or other organisation representing interests. Finally, no member of the Board of Directors or the Board of Statutory Auditors held a comparable position in public administration (including regulatory authorities) in the two years prior to appointment in the current reporting period.

Payment practices (G1-6)

The Group's standard contractual payment terms provide the payment of supplier invoices within 60 days from the last day of the month in which the invoice is issued. This payment standard applies to 90% of invoices of the main suppliers category, namely those belonging to the “network and metering works” cluster⁹⁵. In 2025, in Italy, the average days between the standard contractual payment deadline and the payment of the invoice amount to approximately 20 days, or 80 days from the last day of the month of invoice issuance⁹⁶. The number of legal proceedings currently pending for late payment is 0.

⁹⁵ Invoices for this category of suppliers make up about 74% of annual invoices for Group companies in terms of value. The terms of payment of the remaining invoices are governed by their specific contractual terms.

⁹⁶ The accounts payable cycle management procedure and the standard herein applies without distinction to large enterprises and SMEs. This amount was calculated on the basis of the extraction from accounting systems of payables paid in FY2024 by Group companies, as the average number of differences between the dates of invoices and the break-even date, i.e., the date of payment of invoices.

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

The performance related to the “anti-corruption” topic is assessed in relation to the target for the renewal of the ISO 37001 certification on the management system for the prevention of and fight against corruption for the following companies: Italgas Reti and Medea. The verification for the renewal of the certification is carried out every 3 years by an external certification body, while each year the same body carries out checks to maintain certification. In 2025, ISO 37001 anti-corruption certifications were kept for the companies listed above.

The actions undertaken involve all company processes and stakeholders, guaranteeing the effective implementation of the management system for the prevention of and fight against corruption within the territory in which the Company operates.

The financial resources (OpEx), committed in 2025 and for future years to preventing and combating corruption, amount to an average of approximately 170 thousand euro annually. This figure includes the labour costs of the Compliance & Anti-Corruption Departments and the related departmental budget.

REPORT OF THE INDEPENDENT AUDITORS



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INDEPENDENT AUDITOR'S REPORT ON THE CONSOLIDATED SUSTAINABILITY STATEMENT PURSUANT TO ARTICLE 14-BIS OF LEGISLATIVE DECREE No. 39 OF JANUARY 27, 2010

To the Sole Shareholder of
Italgas Reti S.p.A.

Conclusion

Pursuant to art. 8 of Legislative Decree no. 125 of September 6, 2024 (hereinafter also the "Decree"), we have carried out a limited assurance engagement on the consolidated sustainability statement of the Italgas Reti Group (hereinafter also the "Group") for the year ended on December 31, 2025, prepared pursuant to Art. 4 of the Decree, included in the specific section of the management report.

Based on the work performed, nothing has come to our attention that causes us to believe that:

- the consolidated sustainability statement of the Italgas Reti Group for the year ended on December 31, 2025 is not prepared, in all material respects, in accordance with the reporting principles adopted by the European Commission pursuant to the Directive (EU) 2013/34/EU (European Sustainability Reporting Standards, hereinafter also "ESRS");
- the information included in the paragraph "8.2 Environmental information - Disclosure pursuant to Article 8 of Regulation (EU) 2020/852 (Taxonomy Regulation)" of the consolidated sustainability statement is not prepared, in all material respects, in accordance with art. 8 of Regulation (EU) No. 852 of June 18, 2020 (hereinafter also the "Taxonomy Regulation").

Basis for conclusion

We conducted the limited assurance engagement in accordance with the assurance standard of the sustainability report - "Principio di Attestazione della Rendicontazione di Sostenibilità - SSAE (Italia)". The procedures in a limited assurance engagement vary in nature and timing from, and are less in extent for, a reasonable assurance engagement. Consequently, the level of assurance obtained in a limited assurance engagement is substantially lower than the level of assurance that would have been obtained had we performed a reasonable assurance engagement. Our responsibilities pursuant to that standard are further described in the paragraph *Auditor's responsibilities for the limited assurance of the consolidated sustainability statement* of this report.

Ancona Bari Bergamo Bologna Brescia Cagliari Firenze Genova Milano Napoli Padova Parma Roma Torino Treviso Udine Verona

Sede Legale: Via Santa Sofia, 28 - 20122 Milano | Capitale Sociale: Euro 10.888.930,00 i.v.

Codice Fiscale/Registro delle Imprese di Milano Monza Brianza Lodi n. 03048560166 - R.E.A. n. MI-1720239 | Partita IVA: IT 03048560166

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We are independent in accordance with the independence and other ethical requirements applicable under Italian law to the limited assurance engagement of the consolidated sustainability statement.

Our firm applies International Standard on Quality Management (ISQM Italia) 1, which requires the firm to design, implement and operate a system of quality management including policies or procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

We believe that the evidence obtained is sufficient and appropriate to provide a basis for our conclusion.

Emphasis on matter paragraph

As stated by the Board of Directors in paragraph "8.2 Environmental information - Disclosure pursuant to Article 8 of Regulation (EU) 2020/852 (Taxonomy Regulation)", the Group is subject to the Taxonomy Regulation 852/2020 from 2025 onwards. Accordingly, comparative data for the prior year has not been presented.. Our conclusion is not modified in respect of this matter.

Responsibility of the Directors and the Board of Statutory Auditors of Italgas Reti S.p.A. for the consolidated sustainability statement

The Directors are responsible for developing and implementing the procedures performed to identify the information reported in the consolidated sustainability statement in accordance with the ESRS (hereinafter the "double materiality assessment process") and for disclosing this process in paragraph "8.1 General information - ESRS 2 – General disclosures - Description of processes to identify and assess material impacts, risks and opportunities (IRO-1)" of the consolidated sustainability statement.

The Directors are also responsible for the preparation of the consolidated sustainability statement, which includes the information identified as part of the double materiality assessment process, in accordance with the requirements of Art. 4 of the Decree, including:

- compliance with ESRS;
- compliance of the information included in the paragraph "8.2 Environmental information - Disclosure pursuant to Article 8 of Regulation (EU) 2020/852 (Taxonomy Regulation)" with art. 8 of the Taxonomy Regulation.

Such responsibility involves designing, implementing and maintaining, within the terms established by the law, such internal control that the Directors determine necessary to enable the preparation of the consolidated sustainability statement in accordance with the requirements of the art. 4 of the Decree that is free from material misstatements, whether due to fraud or error. Furthermore, the abovementioned responsibility involves the selection and application of appropriate methods in elaborating information and making assumptions and estimates about specific sustainability information that are reasonable in the circumstances.

The Board of Statutory Auditors is responsible for overseeing, within the terms established by law, the compliance with the provisions set out in the Decree.

Inherent limitations in the preparation of the consolidated sustainability statement

In reporting forward looking information in accordance with ESRS, the Directors are required to prepare the forward looking information on the basis of assumptions, as described in the consolidated sustainability statement, regarding events that may occur in the future and possible future actions of the Group, as indicated in the paragraph "8.1 General information - ESRS 2 – General disclosures - General basis for preparation of sustainability statements and disclosures in relation to specific circumstances (BP-1, BP-2)". Due to the inherent uncertainty regarding any future event, including whether these events will take place and their extent and timing, the variances between actual outcomes and forward looking information could be significant.

The information provided by the Group regarding Scope 3 emissions is subject to greater inherent limitations compared to those related to Scope 1 and 2 emissions. This is due to the lower availability and relative accuracy of the data used to define the information on Scope 3 emissions, both quantitative and qualitative, in relation to the value chain.

Auditor's responsibilities for the limited assurance of the consolidated sustainability statement

Our objectives are to plan and perform procedures to obtain limited assurance about whether the consolidated sustainability statement is free from material misstatements, whether due to fraud or error, and to issue an assurance report that includes our conclusion. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, could influence the decisions of users taken on the basis of consolidated sustainability statement.

As part of the limited assurance engagement in accordance with the Principio di Attestazione della Rendicontazione di Sostenibilità - SSAE (Italia), we exercise professional judgment and maintain professional skepticism throughout the engagement.

Our responsibilities include:

- considering risks to identify and assess the disclosure where a material misstatement is likely to arise, either due to fraud or error;
- designing and performing procedures to verify disclosures in the sustainability statement where material misstatements are likely to arise. The risk of not detecting a material misstatement due to fraud is higher than the risk of not identifying a material misstatement due to error, as fraud may involve collusion, falsifications, intentional omissions, misrepresentations, or the override of internal control;
- the direction, supervision and performance of the limited assurance engagement of the consolidated sustainability statement. We remain solely responsible for the conclusion on the consolidated sustainability statement.

Summary of the work performed

A limited assurance engagement involves performing procedures to obtain evidence as the basis for expressing our conclusion.

The procedures performed on the consolidated sustainability statement are based on our professional judgement and included inquiries, primarily with the personnel of the Group responsible for the preparation of information included in the consolidated sustainability statement, analysis of documents, recalculations and other procedures aimed to obtain evidence as appropriate.

Specifically, we performed the following main procedures partly in a preliminary phase before year end and then in a final phase up to the date of issuance of this report:

- understanding the business model, the Group's strategies and the context in which the Group operates with reference to sustainability matters;
- understanding the processes underlying the generation, collection, and management of qualitative and quantitative information included in the consolidated sustainability statement, including an analysis of the reporting perimeter;
- understanding the process carried out by the Group for the identification and evaluation of material impacts, risks and opportunities, based on the principle of double materiality, with reference to sustainability matters;
- identification of the information where a risk of material misstatement is likely to arise, taking into considerations, among others, risk factors related to the generation and collection of the information, to the estimates and to the complexity of the relevant calculation methods, as well as qualitative and quantitative factors related to the nature of such information;
- design and performance of procedures, based on the professional judgment of the auditor of the consolidated sustainability report, to respond to identified risks of material misstatement also with the support of Deloitte network specialists, in particular with reference to specific environmental information;
- understanding of the process set up by the Group to identify eligible economic activities and determine their aligned nature according to the requirements of the Taxonomy Regulation, and verifying the related information included in the consolidated sustainability statement;
- comparison of the information reported in the consolidated sustainability statement with the information included in the consolidated financial statements pursuant to the applicable financial reporting framework, or with the accounting data used for the preparation of the financial statements, or with the management data having an accounting nature;

- verification of the structure and presentation of the information included in the consolidated sustainability statement in accordance with ESRS, including the information related to the materiality assessment process;
- obtaining the representation letter.

DELOITTE & TOUCHE S.p.A.,

Gilles Villa
Partner

March 19th, 2026

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

CONSOLIDATED FINANCIAL STATEMENTS

Consolidated Statement of Financial Position

(€ thousand)	Notes	As of 31 December 2024		As of 31 December 2025	
		Total	of which, related parties	Total	of which, related parties
ASSETS					
Cash and cash equivalents	(7)	6,494		12,572	
Current financial assets	(8)	458,034	458,032	396,033	396,060
Trade receivables and other receivables	(9)	640,653	211,806	1,078,578	341,205
Inventories	(10)	38,460		53,108	
Current tax receivables	(11)	1,034		2,014	
Other current financial assets	(12)	1,066	1,066	839	839
Other current non-financial assets	(13)	44,966	10	70,502	1,617
Total current assets		1,190,707		1,613,646	
Property, plant and equipment	(14)	297,791		383,306	
Intangible assets	(15)	6,530,664		12,310,344	
Investments accounted for using the equity method	(16)	21,628		24,963	
Non-current financial assets	(18)	306,179		312,414	4,056
Prepaid taxes	(17)	17,425		56,593	
Non-current tax receivables	(11)	11,635		15,173	
Other non-current financial assets	(12)	546	546	453	453
Other non-current non-financial assets	(13)	105,709	152	143,638	156
Total non-current assets		7,291,577		13,246,884	
Assets held for sale	(19)	4,871		281,410	
TOTAL ASSETS		8,487,155		15,141,940	
LIABILITIES AND EQUITY					
Current financial liabilities	(20)	103,689	93,257	838,094	121,606
Trade and other payables	(21)	789,474	194,529	1,264,688	166,183
Current tax liabilities	(11)	14,047		2,648	
Other current non-financial liabilities	(22)	5,460	177	13,143	7,589
Total current liabilities		912,670		2,118,573	
Non-current financial liabilities	(20)	3,996,061	3,972,860	6,415,943	4,537,584
Provisions for risks and charges	(23)	67,205		102,984	
Provisions for employee benefits	(24)	42,264		61,824	
Other non-current non-financial liabilities	(22)	433,124		1,092,923	
Total non-current liabilities		4,538,654		7,673,674	
Liabilities held for sale	(19)			46,253	
TOTAL LIABILITIES		5,451,324		9,838,500	
EQUITY					
Share capital	(25)	252,263		252,263	
Other reserves		2,359,058		4,438,213	
Retained Earnings		(54,778)		(21,421)	
Profit for the year		414,357		568,385	
Equity attributable to the Owners of the parent company		2,970,900		5,237,440	
Non-controlling interests		64,931		66,000	
TOTAL EQUITY		3,035,831		5,303,440	
TOTAL LIABILITIES AND EQUITY		8,487,155		15,141,940	

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

Consolidated Income Statement

(€ thousand)	Notes	For the year ended 31 December 2024		For the year ended 31 December 2025	
		Total	of which, related parties	Total	of which, related parties
Revenues		1,919,237	659,069	2,496,508	914,460
Other income		34,908	12,659	69,925	18,129
Total revenues and other income	(27)	1,954,145		2,566,433	
Costs for raw materials, consumables, supplies and goods		(112,520)	(4,723)	(117,702)	(5,541)
Costs for services		(530,375)	(152,523)	(669,784)	(218,747)
Lease expenses		(93,049)	(1,069)	(126,075)	(2,554)
Personnel costs		(167,092)		(230,860)	
Impairment of trade receivables net		799		(978)	
Other expenses		(47,376)	(85,251)	(57,414)	(98,264)
Total costs and other expenses	(28)	(949,613)		(1,202,813)	
Amortisation, depreciation and impairment of assets	(29)	(391,465)		(436,841)	
OPERATING RESULT		613,067		926,779	
Financial expense		(75,729)	(67,846)	(142,918)	(103,291)
Financial income		8,083	5,250	9,204	5,684
Gain/(loss) on derivative financial instruments measured at fair value		294	294	(321)	(321)
Total net financial expense	(30)	(67,352)		(134,035)	
Share of the profit of investments in associates/joint ventures		(268)	(268)	(150)	(150)
Other income (expense) from equity investments		1,264		2,187	
Total net income from equity investments	(31)	996		2,037	
Profit before taxes		546,711		794,781	
Income taxes	(32)	129,061		223,504	
Profit for the year		417,650		571,277	
Attributable to:					
Italgas Reti Shareholders		414,357		568,385	
Non-controlling interests		3,293		2,892	
Earnings per share (€ per share)	(33)				
- basic and diluted from continuing operations		1.64		2.25	

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

Consolidated Statement of Comprehensive Income

(€ thousand)	For the year ended 31 December 2024	For the year ended 31 December 2025
Profit for the year	417,650	571,277
Other comprehensive income		
<i>Components that will not be reclassified to the income statement, net of tax effect:</i>		
Actuarial gains (losses) from remeasurement of defined benefit plans for employees	(443)	(1,060)
Tax effect	124	297
Total components that will not be reclassified to the income statement, net of tax effect	(319)	(763)
Total other comprehensive income, net of tax effect	(319)	(763)
Total comprehensive income for the year	417,331	570,514
Attributable to Italgas Reti Shareholders	414,050	567,590
Attributable to non-controlling interests	3,281	2,924

Consolidated Statement of changes in Equity

	Share capital	Share premium reserve	Legal reserve	Reserve for defined-benefit plans for employees, net of tax effect	Restricted reserve for application of IFRS Accounting Standards	Stock grant reserve	Fair value valuation reserve for equity investments	Other reserves	Retained Earnings	Profit for the year	Equity attributable to owners of the parent company	Non-controlling interests	Total equity
(€ thousand)													
Balance as at 1 January 2023 (a) (Note 25)	252,263	45,525	57,427	(7,467)	294,720	1,176	174	1,985,408		360,222	2,989,448	63,062	3,052,510
2024 profit for the year										414,357	414,357	3,293	417,650
Other comprehensive income:													
<i>Components that will not be reclassified to the income statement, net of tax effect:</i>													
- Actuarial gains (losses) from remeasurement of defined-benefit plans for employees, net of tax effects				(307)							(307)	(12)	(319)
Total comprehensive income 2024 (b)				(307)			-			414,357	414,050	3,281	417,331
Transactions with shareholders:													
- Allocation of 2023 profit for the year									360,222	(360,222)			
- Dividends to Owners of the parent company									(415,000)		(415,000)		(415,000)
- Dividends to non-controlling interests												(1,445)	(1,445)
- Change in Stock grant reserve						59					59		59
Total transactions with shareholders (c)						59			(54,778)	(360,222)	(414,941)	(1,445)	(416,386)
Other changes in shareholders' equity (d)								(17,657)			(17,657)	33	(17,624)
Balance as at 31 December 2024 (e=a+b+c+d) (Note 25)	252,263	45,525	57,427	(7,774)	294,720	1,235	174	1,967,751	(54,778)	414,357	2,970,900	64,931	3,035,831
(€ thousand)													
Balance as at 1 January 2024 (a) (Note 25)	252,263	45,525	57,427	(7,774)	294,720	1,235	174	1,967,751	(54,778)	414,357	2,970,900	64,931	3,035,831
2025 profit for the year										568,385	568,385	2,892	571,277
Other comprehensive income:													
<i>Components that will not be reclassified to the income statement, net of tax effect:</i>													
- Actuarial gains (losses) from remeasurement of defined-benefit plans for employees, net of tax effects				(795)							(795)	32	(763)
Total comprehensive income 2025 (b)				(795)			-			568,385	567,590	2,924	570,514
Transactions with shareholders:													
- Allocation of 2024 profit for the year									414,357	(414,357)			
- Dividends to Owners of the parent company									(381,000)		(381,000)		(381,000)
- Dividends to non-controlling interests												(3,495)	(3,495)
- Implementation of the co-investment plan						(198)					(198)		(198)
- Acquired through business combination												1,640	1,640
Total transactions with shareholders (c)						(198)			33,357	(414,357)	(381,198)	(1,855)	(383,053)
Other changes in shareholders' equity (d)								2,080,148			2,080,148		2,080,148
Balance as at 31 December 2025 (e=a+b+c+d) (Note 25)	252,263	45,525	57,427	(8,569)	294,720	1,037	174	4,047,899	(21,421)	568,385	5,237,440	66,000	5,303,440

Consolidated Statement of Cash Flow

(€ thousand)	Notes	As of 31 December 2024	As of 31 December 2025
Profit for the year		417,650	571,277
Adjustments for:			
Amortisation, depreciation and impairment of assets	(29)	391,465	436,841
Share of the profit of investments in associates/joint ventures		190	(142)
Other income from equity investments (net of dividends received)		(1,275)	(2,107)
Stock grant		190	(798)
(Gains)/Losses arising from the disposal of non-current assets		31,361	33,199
Financial income		(8,376)	(8,883)
Financial expense		75,729	142,916
Income taxes	(32)	129,061	223,504
Change in provisions for employee benefits		(5,610)	(10,044)
Changes in working capital:			
- Inventories		17,961	1,282
- Trade receivables		(182,752)	(174,795)
- Trade payables		33,896	(4,094)
- Provisions for risks and charges		(18,363)	(26,248)
- Other assets		6,463	134,206
- Other liabilities		144,775	218,150
Dividends cashed in			
Financial income collected		7,161	5,447
Financial expense paid		(54,983)	(140,942)
Income taxes paid, net of tax credits reimbursed		(52,152)	(329,809)
Net cash flow from operating activities		932,390	1,068,960
<i>of which, related parties</i>	(36)	781,013	1,066,380
Investments:			
- Property, plant and equipment		(22,362)	(30,193)
- Intangible assets		(624,922)	(724,077)
- Business combinations, net of cash acquired		48,895	705
- Change in financial receivables instrumental to operating activities		778	(4,016)
- Change in payables for investments		23,697	(58,532)
Disinvestments:			
- Assets held for sale			3,016
- Property, plant and equipment		2,828	1,138
- Intangible assets		11,158	
- Change receivables related to divestment activities		(10,934)	
- Equity investments		(107,409)	
- Securities		5,110	
Net cash flow used in investing activities		(673,161)	(811,959)
Proceeds from non-current financial debt		297,538	1,115,946
Repayment of non-current financial debt			(1,066,358)
Net change in current financial debt		(2,011)	10,752
Change in financial receivables non-instrumental to operations		(117,801)	103,305
Dividends paid		(416,503)	(384,495)
Repayment of lease liabilities		(20,942)	(30,073)
Net cash flow from/(used in) financing activities		(259,720)	(250,923)
<i>of which, related parties</i>	(36)	(111,873)	212,073
Net cash flow for the year		(491)	6,078
Opening cash and cash equivalents	(7)	(6,985)	6,494
Closing cash and cash equivalents	(7)	6,494	12,572

Notes to the Consolidated Financial Statements

Company Information

The Italgas Reti Group, comprising the parent company Italgas Reti S.p.A. and its subsidiaries (together “Italgas Reti”, the “Italgas Reti Group” or the “Group”), operates in the regulated activity of natural gas distribution through an integrated system of infrastructure entirely located in Italy.

Italgas Reti S.p.A. is a joint-stock company controlled by Italgas S.p.A., which holds 100% of its share capital, with registered office in Turin, at Largo Regio Parco 9.

The parent company Italgas Reti S.p.A. is subject to direction and coordination activities by Italgas S.p.A..

1) Basis of preparation

On 1 April 2025, Italgas S.p.A. completed the acquisition of 2i Rete Gas S.p.A.; subsequently, on 1 July 2025, the merger by incorporation of 2i Rete Gas into Italgas Reti S.p.A. was completed.

Upon completion of the merger, Italgas Reti S.p.A. became the issuer of the notes issued by 2i Rete Gas and listed on the Euronext Dublin market. As a result, Italgas Reti S.p.A. acquired the status of Public Interest Entity (PIE) pursuant to Legislative Decree no. 39/2010, which requires the preparation of consolidated financial statements in accordance with Articles 25 to 27 of Legislative Decree no. 127/1991.

The Consolidated Financial Statements have been prepared in accordance with the IFRS Accounting Standards (“IFRS”) issued by the International Accounting Standards Board (“IASB”) and adopted by the European Commission according to the procedure pursuant to Article 6 of (EC) Regulation no. 1606/2002 of the European Parliament and of the Council of 19 July 2002. The IFRS also include the International Accounting Standards (“IAS”) as well as the interpretive documents still in force issued by the IFRS Interpretations Committee (“IFRS IC”), including those previously issued by the International Financial Reporting Interpretations Committee (“IFRIC”) and, before that, by the Standing Interpretations Committee (“SIC”).

The Consolidated Financial Statements for 2025 have been prepared in accordance with the International Accounting Standards effective from 1 January 2025, as described in the subsequent section “Accounting standards and interpretations applicable from the 2025 financial year” of this report.

The Consolidated Financial Statements are prepared on a going-concern basis, using the historical cost method, considering, where appropriate, value adjustments with the exception of the items which, according to IFRS, must be measured at fair value, as described in the valuation criteria.

The Consolidated Financial Statements as at 31 December 2025 were approved and authorised for publication by the Board of Directors of Italgas Reti S.p.A. in the meeting of 3 March 2026. The Italgas Reti S.p.A. Consolidated Financial Statements as at 31 December 2025 are subjected to audit by Deloitte & Touche S.p.A.

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

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

On 1 January 2025, “Amendments to IAS 21 – Lack of Exchangeability”, published by the IASB on 15 August 2023, came into effect in the European Union. The amendment introduces consistent criteria to assess whether a currency is exchangeable and, if not, to determine the exchange rate to apply, and the information to provide in the explanatory notes. The adoption of these amendment had no effect on the Consolidated Financial Statements of the Group.

ACCOUNTING STANDARDS, AMENDMENTS AND INTERPRETATIONS OF IFRS ACCOUNTING STANDARDS ENDORSED BY THE EUROPEAN UNION, NOT YET EFFECTIVE AND NOT EARLY ADOPTED BY THE GROUP AS AT 31 DECEMBER 2025

At the date of this document, the following measures have been endorsed by the EU, but are not yet effective nor early adopted by the Group.

Amendments to IFRS 9 and IFRS 7 – Classification and Measurement of Financial Instruments (30 May 2024). The amendments clarify aspects that arose from the post-implementation review of IFRS 9, with a particular focus on: (i) the classification of financial liabilities with returns linked to ESG targets and criteria for passing the SPPI test; (ii) the settlement date for liabilities settled through electronic payment systems, with the possibility to bring forward derecognition in the presence of specific conditions; (iii) the introduction of new disclosure requirements, in particular for investments in equity instruments designated at FVOCI.

Amendments to Contracts Referencing Nature-Dependent Electricity – IFRS 9 and IFRS 7 (18 December 2024). The amendments address the accounting of renewable power purchase agreements characterised by variable quantities dependent on natural factors. In particular: (i) they clarify the application of the “own-use” requirement; (ii) they define criteria for qualification as hedging instruments; (iii) they introduce new disclosures on financial effects and cash flows.

Annual Improvements – Volume 11 (18 July 2024). The document introduces clarifications, simplifications and corrections to improve the consistency of application of the IFRS, involving IFRS 1; IFRS 7; IFRS 9; IFRS 10 and IAS 7.

The administrators are currently assessing the possible effects of introducing the new principles.

IFRS 18 – Presentation and Disclosure in Financial Statements (9 April 2024). The new standard will replace IAS 1 and aims to improve the presentation of financial statements, in particular the income statement, by introducing: (i) three new sections (operating, investment, financial); (ii) new mandatory subtotals (operating result and EBIT); (iii) more information about management-defined performance indicators; (iv) new criteria for aggregation and disaggregation; (v) changes to the statement of cash flow, including the elimination of certain classification options.

Entry into force from 1 January 2027, with early application permitted.

IFRS ACCOUNTING STANDARDS, AMENDMENTS AND INTERPRETATIONS NOT YET ENDORSED BY THE EUROPEAN UNION

At the reporting date, the following standards are not yet endorsed by the EU.

IFRS 19 – Subsidiaries without Public Accountability: Disclosures (9 May 2024, amended on 21 August 2025). The standard introduces disclosure simplifications for subsidiaries that: (i) do not have listed instruments; (ii) belong to groups that prepare IFRS consolidated financial statements.

Entry into force from 1 January 2027.

IFRS 14 – Regulatory Deferral Accounts (30 January 2014). The standard allows exclusively first-time adopters of IFRS to continue reporting regulatory assets and liabilities according to previous accounting standards.

The administrators are currently assessing the possible effects of introducing the new principles.

Other IFRS updates

IFRS Accounting Taxonomy 2025

On 27 March 2025, the IFRS Foundation published the IFRS Accounting Taxonomy 2025, which updates digital reporting including: (i) the new requirements of IFRS 18; (ii) the changes to nature-dependent electricity contracts; (iii) the amendments to IFRS 9, IFRS 7 and the Annual Improvements.

The administrators are currently assessing the possible effects of introducing the new principles.

2) Financial Statements

The formats adopted for the preparation of the financial statements are consistent with the provisions of IAS 1 - “Presentation of financial statements” (“IAS 1”). In particular:

- the Consolidated Statement of Financial Position items are broken down into assets and liabilities, and then further into “current or non-current items¹”;
- the Consolidated Income Statement classifies costs by nature, since this is deemed to be the best way of representing the Group’s operations and is in line with international best practice;

¹ The assets and liabilities are classified as current if: (i) their realisation/settlement is expected in the company’s normal operating cycle or within twelve months after the financial year-end; (ii) they are composed of cash or cash equivalents which do not have restrictions on their use over the twelve months following the year-end date; (iii) they are mainly held for trading purposes; or (iv) with reference to liabilities, the company does not have the unconditional right to defer settlement of the liability for at least twelve months from the financial year closing date.

- the Statement of Comprehensive Income shows the profit or loss in addition to the income and expense recognised directly in equity as expressly provided for by the IFRS;
- the Statement of Changes in Equity reports the total income (expense) for the financial year, shareholder transactions and the other changes in equity;
- the Consolidated Statement of Cash Flows is prepared using the “indirect” method, adjusting the profit for the year for non-monetary components.

It is believed that these statements adequately represent the Group’s situation with regard to its Statement of Financial Position, Income Statement and Statement of Cash Flows.

3) Consolidation principles

The consolidated Financial Statements include the financial statements of Italgas Reti S.p.A. and those of the entities over which the Company has the right to exercise direct or indirect control, as defined by IFRS 10 – “Consolidated Financial Statements”. Specifically, control exists where the controlling entity simultaneously:

- has the power to make decisions concerning the affiliate;
- is entitled to receive a share of or is exposed to the variable profits and losses of the affiliate;
- is able to exercise power over the affiliate in such a way as to affect the amount of its economic returns.

The existence of control must be verified by the Company on an ongoing basis. The Group reassesses whether or not it controls an investee, if facts and circumstances indicate that there are changes to one or more of the three elements of control listed above.

Subsidiaries, joint ventures, associates and other significant equity investments are indicated separately in the Appendix “Subsidiaries, associates and equity investments of Italgas Reti S.p.A. as at 31 December 2025”, which is an integral part of these notes.

All financial statements of consolidated companies close at 31 December and are presented in Euro.

Companies included in the scope of consolidation

Subsidiaries are fully consolidated on a line-by-line basis (“full consolidation”) from the date the Company obtains control (either directly or indirectly) and are deconsolidated from the date the Company loses control. In the event of loss of control, the Group derecognises the assets (including goodwill) and liabilities of the subsidiary, any non-controlling interests and other equity components related to the subsidiary and recognises the fair value of any consideration received for the transaction. Any investment previously held in the subsidiary is measured at fair value at the date control is lost.

The equity shares and profit or loss attributable to non-controlling interests are separately recorded in specific items of Equity, Income Statement and Statement of Comprehensive Income.

Changes in the equity investments held (either directly or indirectly) by the Company in subsidiaries that do not result in a change in the qualification of the investment as a subsidiary are recorded as equity transactions. The carrying amount of the equity attributable to the owners of the parent company and attributable to non-controlling interests are adjusted to reflect the change in the equity investment. The difference between the carrying amount of non-controlling interests and the fair value of the consideration paid or received is recorded directly under equity attributable to the owners of the parent company.

Otherwise, the sale of interests that result in loss of control leads to recognition in the income statement of: (i) any gains or losses calculated as the difference between the consideration received and the corresponding portion of equity sold; (ii) the effect of the revaluation of any remaining equity investment held, to align it with its fair value; and (iii) any amounts recorded in other components of comprehensive income related to the former subsidiary, for which reversal to the income statement is required. The fair value on the date of loss of control of any remaining equity investment held represents the new carrying amount of the equity investment, and, therefore, the value for the subsequent valuation of the equity investment according to the applicable valuation criteria.

All intra-group balances and transactions, including any unrealised gains and losses on intra-group transactions, are eliminated in the preparation of the Consolidated Financial Statements.

Investments in associates and joint ventures

An associate is an affiliate over which the Group holds significant influence, meaning the power to participate in the determination of the financial and operating policies, but without having control or joint control². It is presumed that the investor has significant influence (unless proven otherwise) if it holds, directly or indirectly through subsidiaries, at least 20% of the exercisable voting rights.

A joint venture is a joint arrangement in which the parties holding joint control have rights to the net assets of the arrangement and, therefore, have an interest in the jointly controlled corporate vehicle.

The economic results and the assets and liabilities of associates and joint ventures are recognised, in the Consolidated Financial Statements, using the equity method, starting from the date the Group holds a significant influence or joint control, respectively, except in cases where they are classified as held for sale.

The Consolidated Financial Statements include the Group's share of profit or loss of subsidiaries recognised using the equity method until the date when the significant influence or joint control ceases.

Business combinations

Business combinations are recognised using the acquisition method, as required by IFRS 3 - "Business Combinations". Accordingly, the consideration transferred in a business combination is determined as of the control acquisition date and is equal to the fair value of the transferred assets, the liabilities incurred or assumed, as well as any equity instruments issued by the acquirer. Directly attributable costs of the transaction are recognised in the income statement when incurred.

Goodwill arising from the acquisition of control of an equity investment or a business unit represents the excess of the acquisition cost (defined as the sum of the considerations transferred in the business combination) over the fair value of identifiable assets, liabilities and contingent liabilities of the acquired entity at the acquisition date. Any residual difference, if negative, is recognised in the income statement as a bargain purchase gain.

Any adjustments to goodwill may be recognised during the measurement period (which cannot exceed one year from the acquisition date) as a result of subsequent changes in the fair value of the contingent consideration or the determination of the fair value of assets and liabilities acquired, if these were provisionally recognised

at the acquisition date and if such changes are determined as adjustments based on new information regarding facts and circumstances existing at the date of the business combination.

In the case of acquisition of a non-total controlling interest, the goodwill and, correspondingly, the share attributable to non-controlling interests may be determined at the acquisition date either based on the acquired percentage of control (the "partial goodwill method") or by measuring the share attributable to non-controlling interests at fair value (the "full goodwill method"). The choice of the goodwill determination method ("Partial goodwill method" or "Full goodwill method") is made selectively for each business combination.

In cases of acquiring control in stages, the acquisition cost is determined by adding the fair value of the previously held equity investment in the acquired entity to the amount paid for the additional interest. The difference between the fair value of the previously held equity investment (remeasured at the acquisition date) and its carrying amount is recognised in the income statement. Upon the acquisition of the control, any components previously recorded in other comprehensive income are reclassified to the income statement or to another item of equity, if reversal to the income statement is not required.

Business combinations involving entities under common control

Business combinations involving companies that are ultimately controlled by the same company or companies before and after the business combination, where such control is not temporary, are qualified as "Business combinations of entities under common control". These transactions are excluded from the scope of IFRS 3 and are not governed by other IFRS. In the absence of a specific accounting standard, the selection of the accounting principle for such transactions, where significant influence over future cash flows cannot be proven, is guided by the principle of prudence, leading to the application of the continuity of values method for the acquired net assets. The assets are recognised at their carrying amount as reflected in the financial statements of the acquired companies before the transaction or, if available, at the values resulting from the consolidated financial statements of the common ultimate parent company. In relation to transfers of business under common control, the receiving entity has to recognise the transferred business at its carrying amount, increasing its equity by an equal amount. The transferring entity will symmetrically recognise the equity investment in the receiving entity for the amount equal to the increase in the equity of the latter.

² Joint control is the contractual sharing of control pursuant to an agreement, which exists only where the unanimous consent of all the parties that share power is required for decisions relating to significant activities.

This accounting treatment is based on the Preliminary Guidelines on IFRS OPI n. 1 Revised - "Accounting treatment of business combinations of entities under common control in the separate and consolidated financial statements" and OPI n. 2 Revised – "Accounting treatment of mergers in the separate financial statements" issued by Assirevi in October 2016.

4) Material accounting policies

The most significant accounting policies adopted when preparing the Consolidated Financial Statements are described below.

Property, plant and equipment

Property, plant and equipment are recognised at the purchase or production cost, including directly attributable ancillary costs needed to make the assets available for use.

Property, plant and equipment may not be revalued, even through the application of specific laws.

Costs for improvements, upgrades and transformations that increase the value of property, plant and equipment are recognised as assets when it is probable that they will increase the future expected economic benefits. Replacement costs of identifiable components of complex assets are recognised as assets and depreciated over their useful life. The residual carrying amount of the replaced component is charged to the income statement. Ordinary maintenance and repair expenses are recognised to the income statement in the period when they are incurred.

If impairment indicators are present, the carrying amount of property, plant and equipment is tested for potential impairment (refer to the section "Impairment of property, plant and equipment and intangible assets with a finite useful life" for further details).

Rights of use

A contract is, or contains, a lease if it grants an entity the right to control the use of an identified asset for a certain period of time in exchange for a consideration.

For leases with a term over 12 months, (i) an asset, within "Property, plant and equipment", as the right of use of the asset, and (ii) a financial liability representing the obligation to make the lease payments envisaged by the contract, are recognised to the financial statements at the commencement date, when the asset is made available for use.

The cost of the asset consisting of right of use includes:

- a) the amount of the initial measurement of the lease liability;
- b) lease payments due on or before the commencement date, net of any lease incentives received;
- c) initial direct costs incurred;
- d) costs for dismantling and restoring the site.

Lease liabilities include the following payments for the right to use the underlying asset over the lease term that remain unpaid as at the commencement date:

- a) fixed payments, net of any lease incentives receivable;
- b) variable payments due for the lease that depend on an index or rate;
- c) amounts payable as residual value guarantees;
- d) the exercise price of the purchase option when it is reasonably certain the option will be exercised;
- e) termination penalties when the lease is expected to be terminated.

The discount rate used is the implicit interest rate of the lease for the lease term. If this rate cannot be easily determined, the Group's incremental borrowing rate, taking into account the frequency and payments under the lease agreement, is used.

After initial recognition, the right-of-use asset is systematically amortised over each period, at the lower of the lease term and the residual useful life of the underlying asset. Amortisation begins on the lease commencement date. In the event of impairment, regardless of the amortisation already recognised, the asset is written down in accordance with the criteria outlined in the Impairment of non-financial assets principle.

The lease term is calculated by considering the “non-cancellable” period, together with periods covered by an extension or early termination option, whose exercise is deemed reasonably certain using information available at the inception date. If significant changes occur in facts and circumstances under the Group’s control that would modify the assessment of the reasonable certainty of exercising the options, the Group will reassess the lease term.

As permitted by IFRS 16, the Group has applied the exemptions for short-term leases, i.e. leases with a duration of less than 12 months, and for leases related to assets of low value.

Depreciation of property, plant and equipment

Property, plant and equipment are systematically depreciated on a straight-line basis over their useful life, defined as the period during which the asset is expected to be usable by the entity. Depreciation begins when the asset is available and ready for use.

The depreciable amount is represented by the carrying amount, reduced by the estimated net realisable value at the end of its useful life, if significant and reasonably determinable.

The table below shows the annual depreciation rates used for the current year:

	Annual depreciation rate (%)
Land and building	
- Industrial buildings	2%
- Civil buildings	3%
Plant and equipment	
- Other plant and equipment	4% - 8.3%
Industrial and commercial equipment	
- Office furniture and machinery	10% - 33.3%
- Vehicles	20% - 25%
Rights of use	Depending on the term of the lease agreements

When an item included in “Property, plant and equipment” consists of several significant components with different useful lives, depreciation is applied to each component separately (“component approach”).

Land, even when purchased together with a building, construction in progress, advances and assets held for sale, is not depreciated (for more details, refer to section “Assets held for sale”).

Depreciation rates are reviewed annually and adjusted if they no longer appropriately reflect the expected future benefits. Any changes to the depreciation plan, resulting in a revision of the asset’s useful life, its residual value or the method of obtaining economic benefits from the asset, are recognised prospectively.

Assets that can be freely transferred are depreciated over the term of the concession or the asset’s useful life, if shorter.

Intangible assets

Intangible assets are assets without identifiable physical substance, but are identifiable, controlled by the company and capable of producing future economic benefits, as well as goodwill, when acquired for consideration. Intangible assets are recognised at the cost of purchase or internal production, when it is probable that their use will generate future economic benefits and their cost can be reliably determined.

Revaluations are not permitted, even under specific laws.

Development costs are recognised as intangible assets only when the Group can prove the technical feasibility of completing the intangible asset, as well as the ability, intention and availability of resources to complete the asset for use or sale. Research costs are recognised in the income statement.

Intangible assets with a defined useful life are measured at cost, net of accumulated amortisation and impairment losses.

Goodwill and other intangible assets with an indefinite useful life are not amortised, but are tested for impairment at each reporting date, as required by IAS 36, to determine if any impairment losses need to be reflected in the financial statements.

Intangible assets are derecognised when they are disposed of, or when no future economic benefit is expected from their use; the related gain or loss is recognised in the income statement.

Service concession arrangements

Intangible assets include service concession arrangements between the public and private sectors for the development, financing, management and maintenance of infrastructures under concession where the grantor: (i) controls or regulates the services provided by the operator through the infrastructure and the applicable price; and (ii) controls, through ownership, entitlement to benefits, or otherwise, any significant residual interest in the infrastructure at the end of the concession. The accounting provisions relating to service concession arrangements are applicable to the Group in connection with the public service of natural gas distribution, namely to arrangements under which the operator undertakes to provide the public service of natural gas distribution as established by the Italian Regulatory Authority for Energy, Networks and Environment (ARERA), holding the right to use the infrastructure controlled by the grantor in order to provide the public service.

The Group applies the intangible asset model as provided for by IFRIC 12 for accounting service concession arrangements. The intangible asset is recognised at cost both at initial recognition and for subsequent recognition. Construction and improvement activities of network and other services are recognised and measured by applying IFRS 15.

Amortisation of intangible assets

Intangible assets with a defined useful life are amortised systematically over their useful life, defined as the period in which the asset is expected to be usable by the entity. Amortisation begins when the intangible asset is available for use.

The amount to be amortised is the carrying amount, reduced by the estimated net realisable value at the end of its useful life if significant and reasonably determinable.

The table below shows the annual amortisation rates used for the current year, unchanged from the comparative year:

	Annual amortisation rate (%)
Patent rights and intellectual property rights	20% - 33.3%
Concession expenses	Depending on the term of the agreement
Land and buildings (concession agreements)	
- Industrial buildings	1.67% - 5%
- Other constructions	9% - 10%
Plant and equipment (concession agreements)	
- Network	1.67% - 5%
- Principal and secondary facilities	4% - 6%
- Derivation plants	2% - 10%
Industrial and commercial equipment (concession agreements)	
- Metering and control equipment	6.7% - 20%

Grants

Capital grants granted by public authorities are recognised when there is reasonable certainty that the conditions set by the granting government agencies for their allocation will be met, and they are recognised as a reduction in the purchase price, contribution or production cost of the related assets.

Operating grants are recognised in the income statement on an accrual basis, consistent with the relative costs incurred.

Impairment of non-financial assets

Impairment of property, plant and equipment and intangible assets with a finite useful life

At least annually, property, plant and equipment and intangible assets with a finite useful life are assessed to verify the existence of internal and external indicators of potential impairment.

If these indicators are present, recoverability is tested by comparing the carrying amount with its recoverable amount, as the higher of the fair value less costs to sell (see section "Fair value measurement") and the value in use.

The assessment is carried out for each individual asset or for the smallest identifiable group of assets which, through continuous use, generate cash inflows largely independent of those of other assets or groups of assets ("Cash-Generating Units" or "CGUs").

The cash-generating unit (CGU) identified by the Group is gas distribution and metering and other gases (regulated activity).

The recoverable amount of non-current non-financial assets that fall under the scope of regulated activities is determined by considering: (i) the amount quantified by the Authority based on the rules that define the tariffs for the provision of the services for which they are intended; (ii) the possible value that the Group expects to recover from their sale or at the end of the concession regulating the service; (iii) the value of the expected cash flows deriving from the use of the asset and, if significant and reasonably determinable, from its sale at the end of its useful life, net of any disposal costs; these cash flows are discounted at a rate that reflects the current market conditions for the time value of money and specific risks of the asset not reflected in the estimated cash flows.

Similarly to what happens for the quantification of tariffs, the quantification of the recoverable amount of the assets within the scope of regulated activities is also based on the applicable current regulatory provisions.

The value in use of non-current non-financial assets not within the scope of the regulated activities is determined by discounting the expected cash flows resulting from the use of the asset and, if significant and reasonably determinable, from its sale at the end of its useful life, net of any disposal costs. Cash flows are determined based on reasonable, documentable assumptions representing the best estimate of future economic conditions expected to occur during the remaining useful life of the asset, with a greater emphasis on outside information. Discounting is done using a rate reflecting current market conditions for the time value of money and specific risks of the asset not reflected in the estimated cash flows.

If the reasons for impairment no longer exist, assets are revalued, and the reversal is recognised in the income statement. The adjustment is made at the lower of the recoverable amount and the carrying amount, gross of any previous impairments reduced by the depreciation that would have been recognised if an impairment loss had not been recorded for the asset.

Impairment of goodwill, intangible assets with an indefinite useful life and intangible assets under construction

The recoverability of the carrying amount of goodwill, intangible assets with an indefinite useful life and intangible assets under construction is tested at least annually and whenever events occur that suggest a reduction in value. For goodwill, the test is performed at the level of the smallest group based on which the management evaluates, directly or indirectly, the return on investment, including goodwill itself. When the carrying amount of the CGU, including the goodwill allocated to it, exceeds the recoverable amount, the difference is the impairment, which is first allocated to goodwill up to its amount; any excess of the impairment over goodwill is allocated proportionally to the carrying amount of the assets which constitute the CGU. Goodwill impairment losses cannot be reversed.

Investments accounted for using the equity method

Investments in joint ventures and associates are accounted for using the equity method.

Under the equity method, investments in joint ventures and associates are initially recognised at cost and subsequently adjusted to account for: (i) the participant's share of the investee's profits or losses after the acquisition date, and (ii) the participant's share of other comprehensive income of the investee. Dividends paid out by the investee are recognised as a reduction of the carrying amount of the investment. For the application of the equity method, adjustments required for consolidation purposes are considered (see also the "Consolidation principles" section).

In the case of acquiring a joint control in successive stages, the cost of the equity investment is measured as the sum of the fair value of the previously held interests and the fair value of the consideration transferred at the date the equity investment is qualified as associated (or under joint control). The effect of revaluing the carrying amount of the equity interest held before assuming the joint control (or significant influence) is recognised in the income statement, including any components recognised in comprehensive income. The sale of equity investments resulting in loss of joint control or significant influence over the investee results in recognition in the income statement of: (i) any gains or losses calculated as the difference between the consideration received and the corresponding portion of the carrying amount of the disposed interest; (ii) the effect of revaluing any residual equity investment maintained, to align it with the related fair value; and (iii) any amounts recognised in other comprehensive income relating to the equity investee that are required to be reclassified to the income statement. The value of any equity investment maintained, aligned with its fair value

at the date of loss of joint control or significant influence, represents the new carrying amount, and, therefore, the value for subsequent valuation according to the applicable valuation criteria.

If there is objective evidence of impairment, the recoverability of the amount recognised is tested by comparing the carrying amount with the related recoverable value determined using the criteria indicated in the section "Impairment of non-financial assets".

When the reasons for the impairment losses no longer exist, equity investments are revalued up to the amount of the impairment losses entered with the effect posted to the income statement under "Income (expense) from equity investments".

The parent company's share of any losses of the investee, exceeding carrying amount of the equity investment, is recognised in a special provision to the extent that the parent company is committed to fulfilling its legal or constructive obligations of the investee or, otherwise, covering its losses.

Other minor equity investments

Financial assets representing other minor equity investments, not held for trading, are measured at fair value with the effects recognised in the income statement.

Inventories

Inventories, including meters, are recorded at the lower of cost or production cost and net realisable value, which is the amount that the entity expects to receive from their sale in the ordinary course of business.

The cost of inventories is determined using the weighted average cost method.

The value of obsolete and slow-moving inventories is written down in relation to the possibility of use or realisation, through the allocation of a specific obsolescence fund.

Cash and cash equivalents

Cash and cash equivalents include cash on hand, on demand deposits, as well as other short-term financial assets with a maturity of no more than three months, readily convertible into cash and subject to a negligible risk of a change in their value.

They are recorded at their nominal value, which corresponds to the fair value.

Financial instruments

Financial instruments refer to any contracts that give rise to a financial asset for one entity and a financial liability or an equity instrument for another entity; they are recognised and measured in accordance with IAS 32 and IFRS 9.

Financial assets - debt instruments

Depending on the characteristics of the instrument and the business model adopted for its management, financial assets representing debt instruments are classified in the following three categories: (i) financial assets measured at amortised cost; (ii) financial assets measured at fair value with the effects recognised in the other comprehensive income ("OCI"); (iii) financial assets measured at fair value with the effects recognised in the income statement.

Initial recognition is at fair value; for trade receivables without a significant financial component, the initial carrying amount is represented by the transaction price.

Following initial recognition, financial assets that generate cash flows representing only payments of capital and interest are measured at amortised cost if held with the aim of collecting the contractual cash flows (so-called "hold-to-collect" business model). Based on the amortised cost method, the initial carrying amount is then adjusted to account for principal repayments, any impairment losses and the amortisation of the difference between the repayment amount and the initial carrying amount.

Amortisation is carried out using the effective internal interest rate, which represents the rate that would make equal, at initial recording, the present value of expected cash flows and the initial carrying amount.

Receivables and other financial assets measured at amortised cost are presented in the statement of financial position net of any provision for impairment losses.

Financial assets representing debt instruments where the business model provides both the possibility to collect contractual cash flows and realise capital gains through sales (so-called "hold-to-collect-and-sell" business model) are measured at fair value with the effects recorded on OCI ("FVTOCI").

In this case, the fair value changes of the instrument are recognised in equity under other comprehensive income. The cumulative amount of the fair value changes, recognised in the equity reserve for other comprehensive income, is reversed to the income statement upon the derecognition of the instrument. Interest

income, calculated using the effective interest rate, exchange rate differences and impairment losses, is recognised on the income statement.

A financial asset representing a debt instrument that is not measured at amortised cost or at FVTOCI is measured at fair value with the effects recognised in the income statement (FVTPL).

When the purchase or sale of financial assets is executed according to a contract that requires settlement and delivery of the asset within a certain number of days, set by the market control authorities or market agreements (e.g. purchase of securities on regulated markets), the transaction is recognised on the settlement date.

Disposals of financial assets are derecognised from the financial position when the contractual rights to receive the associated cash flows from the financial instrument expire or are transferred to third parties.

Impairment of financial assets

Recoverability of financial assets representing debt instruments, not measured at fair value with effects on the income statement, is measured on the basis of the so-called "expected credit loss" model.

In particular, expected losses are generally determined based on the product between: (i) the exposure to the counterparty net of the relevant guarantees ("Exposure At Default" or "EAD"); (ii) the probability that the counterparty does not meet its payment obligation ("Probability of Default" or "PD"); (iii) the estimated percentage of credit loss that will not be recovered in the event of default ("Loss Given Default" or "LGD") defined based past experience and potential recovery actions (e.g. out-of-court actions, legal disputes, etc.).

In this regard, in order to determine the probability of default of the counterparties, internal ratings already used for concession purposes have been adopted.

For retail customers, who do not have internal ratings, the expected losses are based on a provision matrix, grouping credits, where appropriate, into relevant clusters and applying impairment percentages defined based on past experience, adjusted, when necessary, for forward-looking credit risk information.

Financial liabilities

Financial liabilities, other than derivative instruments, including financial debts, trade payables, other payables and other liabilities, are initially recognised at fair value less any transaction-related costs; they are subsequently recognised at amortised cost using the effective interest rate method, as described in the "Financial assets" section above.

Financial liabilities are derecognised upon extinguishment or when the obligation specified in the contract is fulfilled, cancelled, or expired.

Offsetting of financial assets and liabilities

Financial assets and liabilities are offset in the financial position when there is a legally enforceable right to offset and there is an intention to settle on a net basis (i.e. to realise the asset and at the same time extinguish the liability).

Derivative financial instruments and hedge accounting

Derivative financial instruments, including "embedded derivatives", are initially measured at fair value in line with IFRS 13 and IFRS 9, and any attributable transaction costs are recognised in the Income statement when they are incurred. After initial recognition, the financial instruments are measured at fair value at each reporting date (for further details, refer to the "Fair value measurement" section).

As part of the risk management strategy and objectives, the qualification of transactions as hedging requires: (i) verification of the existence of an economic relationship between hedged item and hedging instrument, such that their value changes offset each other and this offsetting ability is not impaired by the counterparty's level of credit risk; (ii) the definition of a hedge ratio consistent with the risk management objectives, within the defined risk management strategy, including the appropriate rebalancing actions, if needed. Changes in risk management objectives, the cessation of conditions for hedge qualification, or implementation of rebalancing transactions will result in prospective total or partial discontinuation of the hedge.

When derivatives hedge the fair value risk of the hedged items ("fair value hedge", including, but not limited to, hedging the variability of the fair value of fixed rate asset/liability), derivatives are recognised at fair value with the effects recognised in the income statement; consistently, the hedged items are adjusted for fair value changes associated with the hedged risk in the income statement, regardless of the normal measurement criteria generally applied to the instrument.

When the derivatives hedge the cash flow risk of the hedged items ("cash flow hedge", including, but not limited to, hedging the variability of cash flows of the asset/liability due to interest rate or exchange rate fluctuations), the changes in fair value of the derivatives considered effective are initially recognised in the equity reserve under other comprehensive income and afterwards reclassified in the income statement in line with the economic effects of the hedged transaction. In the case of hedging future transactions involving the recognition of a non-financial asset or liability, the cumulative fair value changes of the hedge derivatives recognised in equity are reclassified to adjust the initial carrying amount of the non-financial item hedged (the "basis adjustment").

Fair value changes of derivatives that do not meet the hedging criteria, including any ineffective components of hedging derivatives, are recognised in the income statement under "Gain/(loss) on derivative financial instruments measured at fair value".

Embedded derivatives incorporated in financial assets are no longer separated in accounting; in these cases, the entire hybrid instrument is classified based on the general classification criteria for financial assets. Embedded derivatives incorporated in financial liabilities and/or non-financial assets are separated from the main contract and are accounted for separately if the embedded instrument: (i) meets the definition of derivative; (ii) as a whole is not measured at fair value with the effects recognised in the income statement (FVTPL); (iii) if the characteristics and risks of the derivative are not closely related to those of the main contract. The existence of embedded derivatives to separate and measure separately is checked when the company joins the contract and afterwards when there are amendments to the conditions of the contract that bring about significant changes in the cash flows it generates.

Fair value measurement

Fair value is the amount that would be received to sell an asset or paid to transfer a liability in a regular transaction between market participants at the measurement date (i.e. exit price).

Fair value of an asset or liability is determined by using the valuations that market participants would use in determining the price of the asset or liability. The fair value measurement assumes that the asset or liability would be traded on the main market or, failing that, on the most advantageous market accessible to the entity. The fair value of a non-financial asset is determined by considering the market participant's ability to generate economic benefits by using the asset to its highest and best use or selling it to another market participant that would maximise its value. The determination of the highest and best use of the asset is determined from the perspective of market participants, even if the entity intends to use it differently; it is assumed that the entity's current use of a non-financial asset is its highest and best use, unless the market conditions or other factors suggest otherwise.

The fair-value measurement of a financial or non-financial liability, or of an equity instrument, considers the quoted price for transferring an identical or similar liability or equity instrument; if such quoted price is not available, the valuation of a corresponding asset held by a market participant as at the measurement date is considered. The fair value of the financial instruments considers the credit risk of the counterparty of a financial asset ("Credit Valuation Adjustment" or "CVA") and the entity's own default risk related to a financial liability ("Debit Valuation Adjustment" or "DVA").

When determining fair value, a hierarchy of inputs based on the origin, type and quality of the information used in the calculation is defined. This classification aims to establish a hierarchy in terms of the reliability of fair value, prioritising the use of observable market parameters that reflect assumptions that market participants would use in measuring the asset/liability. The fair value hierarchy includes the following levels:

- level 1: inputs represented by quoted prices (unadjusted) in active markets for identical assets or liabilities that are accessible as at the measurement date;
- level 2: inputs, other than quoted prices included in Level 1, that are observable, directly or indirectly, for the assets or liabilities to be measured;
- level 3: unobservable inputs for the asset or liability.

In the absence of available market quotes, fair value is determined by using valuation techniques appropriate for each situation, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

Assets held for sale

Non-current assets and current and non-current assets of disposal groups are classified as held for sale, if their carrying amount will be recovered mainly by their sale rather than through their continued use. This condition is regarded as fulfilled when the sale is highly probable, and the asset or discontinued operations are available for immediate sale in their current condition. In the case of a programme for the sale of a subsidiary that results in loss of control, all assets and liabilities of that affiliate are classified as held for sale, regardless of whether a non-controlling investment is maintained following the sale. Checking that the

conditions required to classify an item as held for sale requires that the management made subjective assessments and formulate reasonable and realistic assumptions based on the information available.

Assets held for sale, current and non-current assets related to disposal groups and directly associated liabilities are recognised in the Statement of Financial Position separately from the Company's other assets and liabilities.

Assets and liabilities falling within a disposal group are measured according to the accounting standards applicable to them right before being classified as held for sale. Afterwards, the assets held for sale are not amortised or depreciated and are measured at the lower between the carrying amount and its fair value, less costs to sell (see section "Fair value measurement").

The classification as "held for sale" of equity investments accounted for using the equity method implies suspended application of this measurement criteria. Therefore, in this case, the carrying amount is equal to the value resulting from the application of the equity method at the date of reclassification.

Any negative difference between the carrying amount of the non-current assets and the fair value less costs to sell is recognised to the income statement as an impairment; any subsequent reversal of impairment losses is recognised up to the amount of the previously recognised impairment losses, including those recognised prior to the asset being classified as held for sale.

Provisions for risks and charges

Provisions for risks and charges relate to costs and charges of a specific nature and of certain or probable existence, which, at the end of the year, are uncertain in terms of amount or date of occurrence.

Provisions are recognised when: (i) it is probable that there is a current legal or constructive obligation, arising from a past event; (ii) it is probable that fulfilling the obligation will be onerous; and (iii) the amount of the obligation can be reliably determined. Provisions are recorded at the value that represents the best estimate of the amount that the entity would reasonably pay to extinguish the obligation or transfer it to third parties at the closing date of the financial year. Provisions related to onerous contracts are recorded at the lower of the cost necessary to fulfil the obligation, less the expected economic benefits deriving from the contract, and the cost to terminate the contract.

When the financial effect of time is significant and the payment dates of the obligations can be reliably estimated, the provision is calculated by discounting at a rate reflecting the present market evaluations of the time value of money, the expected cash flows in consideration of the risks associated with the obligation; the increase in the provision due to the passing of time is recognised in the income statement under "Net financial income (expense)".

When the liability relates to property, plant and equipment (e.g. site dismantlement and restoration), the provision is recognised against the related asset and the charge to the income statement occurs through depreciation. The costs the Company expects to incur for implementing restructuring programmes are recognised in the period in which the programme is formally defined, and a valid expectation has been generated among the affected parties that the restructuring will take place.

Provisions are periodically updated to reflect changes in cost estimates, selling periods and the discount rate; revisions of provisions are recorded to the same income statement item that previously recognised the provision or, when the liability is related to property, plant and equipment (e.g. site dismantling and restoration), against the related asset, up to the carrying amount; any excess is recognised in the income statement.

The notes to the financial statements describe contingent liabilities represented by: (i) possible (but not probable) obligations arising from past events, whose existence will be confirmed only if one or more future uncertain events occur not entirely under the Company's control; and (ii) current obligations resulting from past events, whose amount cannot be reliably estimated, or whose fulfilment is not likely to be onerous.

Provisions for employee benefits

Post-employment benefits

Post-employment benefits are grouped into "defined-benefit" plans and "defined-contribution" plans.

- **Defined-benefit plans**

The liability associated with defined-benefit plans is determined by estimating the present value of the future benefits accrued by the employees during the current year and in previous years, and by calculating the fair value of any assets servicing the plan. The present value of the obligations is determined based on actuarial assumptions and is recognised on an accrual basis consistent with the employment period necessary to obtain the benefits.

Actuarial gains and losses relating to defined-benefit plans arising from changes in actuarial assumptions or experience adjustments are recognised in other comprehensive income when they occur and are not

subsequently recognised in the income statement. When a plan is changed, reduced or extinguished, its effects are recognised in the income statement.

Net financial expense represents the change that the net liability undergoes during the year due to the passing of time. Net interest is determined by applying the discount rate to the liabilities, net of any assets servicing the plan. The net financial expense of defined-benefit plans is recognised in “Financial income (expense)”.

- **Defined-contribution plans**

In defined-contribution plans, the Company’s obligation is calculated, limited to the payment of state contributions or to equity or a legally separate entity (fund), based on contributions due.

Costs arising from defined-contribution plans are expensed as incurred.

Other long-term plans

Obligations relating to other long-term benefits are calculated using actuarial assumptions; the effects arising from the amendments to the actuarial assumptions or the characteristics of the benefits are recognised entirely in the income statement.

Dividend payments

Dividend payments to Company shareholders entails the recording of a payable in the financial statements for the period in which distribution was approved by the Company’s Shareholders or, in the case of interim dividends, by the Board of Directors.

Revenues

The Group recognises revenues when it transfers the control of a product or service to a customer.

The recognition of revenues from contracts with customers is based on the following five steps: (i) identification of the contract with the customer; (ii) identification of the performance obligations represented by the contractual promises to transfer goods and/or services to a customer; (iii) determination of the price of the transaction; (iv) allocation of the price of the transactions to the performance obligations identified based on the standalone selling price of each good or service; (v) recognition of the revenue when its performance obligation has been met, or when the promised good or service is transferred to the customer; the transfer is considered completed when the customer gains control of the good or service, which can occur over time or at a specific point in time.

Furthermore, in the presence of a third party involved in the supply of goods or services to a customer, the correct recognition of revenues envisaged by IFRS 15 is connected to the fact that the company acts as a principal or as an agent of the counterparty.

Revenue is recognized net of returns, discounts, allowances, and premiums, as well as taxes directly related to the revenue.

Exchanges of goods or services of similar nature and value, as they do not represent sales transactions, do not result in the recognition of revenue and costs.

Revenue from Gas Distribution

For the gas distribution services performed by the Group, the moment of recognition of revenues occurs at the time the service is provided (over time) to customers.

The tariffs (transaction prices) to be applied to customers for the services provided, based on the volumes consumed or the type of service provided, are defined by the Authority based on a predefined amount of annual recognised revenues (“Revenue Cap”) by ARERA. In particular, gas distribution and metering services are subject to regulation by ARERA, which defines, among other things, the frameworks for the remuneration of services. Specifically, the Revenue Cap includes a predefined return on the net invested capital, recognised for regulatory purposes (Regulatory Asset Base or “RAB”), related amortisation/depreciation, and some operating costs.

The distribution of gas to the delivery point is considered a single performance obligation, therefore the Revenue Cap is recognised on a straight-line basis, since the services provided are continuous and uniform over time, consisting mainly in the continuous provision of infrastructure.

In the case of natural gas distribution, the difference between the Revenue cap and the revenue charged to customers for services actually rendered is recorded, if positive, under “Trade receivables and other receivables” and, if negative, and under “Trade payables and other payables” as it will be subject to financial settlement by the Cassa per i Servizi Energetici e Ambientali (“CSEA”).

Additionally, with respect to the “Municipalities in Start-Up³” in Italy, the recognition of revenue for gas distribution service is based on a prospective evaluation of the expected delivery points at the end of the regulated start-up period as defined by ARERA, where there is considered to be a high probability of not encountering a significant reversal of the accumulated revenue. With regard to Sardinia, the provisions of the Decree of the President of the Council of Ministers, of 10 September 2025, published in the Official Gazette on 3 November 2025, were taken into account.

Revenue is reported net of items involving tariff components in addition to the tariff applied to cover gas system expenses of a general nature. The amounts collected/charged are passed back in equal amounts to the CSEA.

Revenue from Construction and Infrastructure Improvements

Revenue from construction and infrastructure improvements provided under concession service agreements and gas distribution activities is recognised over-time as work in progress based on the progress of the work, deduced from the total estimated costs incurred. Revenues are determined equal to costs actually incurred.

Technical assistance, engineering, IT and various services

Regarding technical assistance, engineering, IT and various services, the Group recognises revenues at the time of the delivery of service (point in time) to customers. The services are invoiced to customers based on the contractually agreed prices for regulated activities or the prices defined by the Network Code, concerning ancillary activities to the gas distribution service.

Dividends received

Dividends are recognised at the date of the resolution passed by the Shareholders’ Meeting, unless it is not reasonably certain that the shares will be sold before the ex-dividend date.

Costs

Costs are recognised in the period when they relate to goods and services sold or consumed during the same period or when it is not possible to identify their future use.

Costs sustained for share capital increases are recorded as a reduction of equity, net of taxes.

Energy efficiency certificates

The Energy Efficiency Certificates purchased during the year are entered in the income statement at the cost borne. The relevant contribution that CSEA will pay at the time the certificates are cancelled is booked as a reduction of the cost borne and is calculated based on the repayment price scheduled at year-end. A special risk provision is allocated to cover the future expected charges to fulfil the year’s objective calculated as the difference between the cost to be borne and its cancellation contribution.

Income taxes

Current income taxes are calculated by estimating the taxable income. Receivables and payables for current income taxes are recognised based on the amount which is expected to be paid/recovered to/from the tax authorities under the prevailing tax regulations and rates or those essentially approved at the reporting date.

With regard to Italian corporate income tax (“IRES”), Italgas Reti has exercised the option to participate in the national tax consolidation regime of its parent company Italgas S.p.A. The projected payable is recognised under “Current tax liabilities”.

The regulations governing Italgas Group companies’ participation in the national tax consolidation scheme stipulates that:

- subsidiaries with positive taxable income pay the amount due to Italgas. The taxable income of the subsidiary, used to determine the tax, is adjusted to account for the recovery of negative components that would have been non-deductible without the consolidation scheme (e.g. interest expense), and any negative taxable income relating to the subsidiary’s equity investments in consolidated companies;

³ Locations with year of first supply after 2017.

- subsidiaries with negative taxable income, if and insofar as they have prospective profitability which, without the national tax consolidation scheme, would have enabled them to recognise deferred tax assets related to the negative taxable income on the separate financial statements, receive from their shareholders – in the event that these are companies with a positive taxable income or a negative taxable income with prospective profitability – or from Italgas in other cases, compensation amounting to the lower of the tax saving realised by the Group and the aforementioned deferred tax assets.

Tax receivables and tax payables on Italian regional production tax (“IRAP”) are recognised under the item “Current tax liabilities” and “Current tax receivables”, respectively.

Deferred and prepaid taxes are calculated on the timing differences between the values of the assets and liabilities entered in the balance sheet and the corresponding values recognised for tax purposes, based on the prevailing tax regulations and rates or those essentially approved for future years. Prepaid taxes are recognised when their recovery is considered probable; specifically, the recoverability of prepaid taxes is considered probable when taxable income is expected to be available in the period in which the temporary difference is cancelled, allowing the activation of the tax deduction. Similarly, unused tax receivables and prepaid taxes on tax losses are recognised up to the limit of recoverability; with reference to deferred tax assets, their recoverability is verified at least annually.

Prepaid taxes and deferred taxes are classified under non-current assets and liabilities and are offset at individual company level, if they refer to taxes that can be offset and/or at the level of the consolidating company in the presence of the taxation regime provided by the National Tax Consolidation. The balance of the offsetting, if it results in an asset, is recognised under the item “Prepaid taxes”; if it results in a liability, it is recognised under the item “Deferred taxes”. When the results of transactions are recognised directly in equity, deferred tax assets and liabilities, and current taxes are also recognised to equity.

In the presence of uncertainties in the application of tax regulations: (i) in cases where it is considered likely that the tax authority will accept the uncertain tax treatment, income taxes (current and/or deferred) to be recognised in the financial statements are determined based on the tax treatment applied or expected to be applied in the tax return; (ii) in cases where it is considered unlikely that the tax authority will accept the uncertain tax treatment, the uncertainty is reflected in the determination of income taxes (current and/or deferred) to be recognized in the financial statements.

5) Use of estimates

The application of generally accepted accounting principles for the preparation of financial statements involves management making accounting estimates based on complex and/or subjective judgements, estimates based on past experience and assumptions regarded as reasonable and realistic on the basis of the information known at the time of the estimate. The use of these accounting estimates has an influence on the carrying amount of assets and liabilities and on the information about potential assets and liabilities at the reporting date, as well as the amount of revenues and costs in the reference period. The actual results may differ from the estimated results owing to the uncertainty that characterises the assumptions and the conditions on which the estimates are based.

Details are given below about the main accounting estimates involved in the process of preparing the financial statements and interim reports, since they involve a high degree of recourse to subjective judgements, assumptions and estimates regarding matters that are by nature uncertain. Any change in the conditions forming the basis of the judgements, assumptions and estimates used could have a significant impact on results of subsequent years.

Impairment of non-financial assets

Measurement of tangible and intangible assets, including goodwill, requires recording of these in the financial statements for a value no higher than their recoverable value (so-called Impairment test).

Recoverable amount is the higher of the *fair value less cost to sell* criteria and the value in use criteria. Having regard to the assets of regulated sectors, the fair value may be represented alternatively as follows:

- (i) in relation to gas distribution services, the estimated value of net invested Capital updated to the reference date attributed to these assets for tariff purposes (RAB - Regulatory Asset Base) by the Authority. RAB is the reference basis for determining the service tariffs and, therefore, the cash flows generated from assets. The RAB value is defined using the revalued

- historical cost method for Fixed Capital net of capital grants and contributions received from users, and on a flat-rate basis for Working Capital and employee severance fund;
- (ii) in relation to gas distribution services, the reimbursement value (RV) valid for ATEM (Minimum Territorial Areas) tenders, which is the value to be paid to the operator selling the infrastructure after the tender procedure.

Value in use refers to:

- (iii) the present value of the future cash flows expected to be derived from the asset being measured. These flows are determined in line with the most recent business plan approved by management, which is based not only on developments in the regulations, but also on estimates relating to reference market trends and investment and divestment decisions. In the process of determining the recoverable value, flows are discounted at a discount rate (WACC post-tax) that reflects current market conditions, the time value of money and the specific risks of the asset.

More information on the impairment test carried out by the Company's management on property, Plant and equipment and on intangible Assets can be found in the "Impairment of non-current non-financial assets" section.

The recoverable value is sensitive to the estimates and assumptions used to determine the total invested capital, cash flows and discount rates applied. Therefore, possible variations in the estimation of the factors on which the calculation of the aforesaid recoverable values is based could result in different measurements.

Analysis of each of the groups of non-financial assets is unique and requires use by the company's management of estimates and assumptions considered prudent and reasonable in relation to the specific circumstances.

Business combinations

Recognition of business combination transactions requires determination of the fair value of any assets and liabilities acquired as a result of obtaining control of the business. With the help of independent professionals, the company's management measured the fair value of assets, liabilities and potential liabilities, on the basis of information on facts and circumstances available at the acquisition date.

Determination of the fair value of assets and liabilities acquired is subject to estimates and measurements by the company's management. Possible variations in the estimation of the factors on which determination of the fair value is based could generate different measurements.

Analysis of each business combination transaction is unique and requires use by the company's management of estimates and assumptions considered prudent and reasonable in relation to the specific circumstances.

Environmental liabilities

The Group is subject, in relation to its activities, to numerous laws and regulations on environmental protection at European, national, regional and local level, including the laws which implement international conventions and protocols relating to the activities carried out.

The measurement of future liabilities in connection with reclamation and restoration obligations in relation to sites and/or land on which the company carries out its business is a complex process based on technical and financial assumptions made by the company's management and supported by independent experts where necessary.

The restoration cost estimate is discounted using a risk-free rate in accordance with IAS 37. The estimate is made using a principle of prudence based on the known market, legislative and technological conditions at the time of measurement.

The estimates are reviewed at each balance sheet date to verify that the amounts recorded are the best reflection of the costs the Group will face. If any significant variations are found, the amounts are adjusted. The key factors for revising cost estimates are the revision of the timeframes for implementing the site reclamation and restoration plan, developments in the technologies and environmental regulations and discount rate trends.

Measurement of environmental liabilities recorded in the financial statements takes into account the environmental legislation currently in force. However, this measurement could be subject to variations, even to a significant extent, in relation to: (i) the possibility of further contamination arising; (ii) the results of current and future refurbishment and the other possible effects arising from the application of the laws in force; (iii) the possible effects of new laws and regulations for environmental protection; (iv) the effects of any technological innovations for environmental cleansing; and (v) the possibility of disputes concerning the environmental liability for specific sites and the difficulty of determining the potential consequences of this, including in relation to the liability of other parties and any indemnity.

Provisions for employee benefits

Defined-benefit plans are valued on the basis of uncertain events and actuarial assumptions which include, inter alia, the discount rates, the expected returns on the assets servicing the plans (where they exist), the level of future remuneration, mortality rates, the retirement age and future trends in the healthcare expenses covered.

The main assumptions used to quantify defined-benefit plans are determined as follows: (i) the discount and inflation rates representing the base rates at which the obligation to employees might actually be fulfilled are based on the rates which mature on high-quality bonds and on inflation expectations; (ii) the level of future remuneration is determined on the basis of elements such as inflation expectations, productivity, career advancement and seniority; (iii) the future cost of healthcare services is determined on the basis of elements such as present and past trends in healthcare costs, including assumptions regarding the inflationary growth of costs, and changes in the health of the participating employees; and (iv) the demographic assumptions reflect the best estimates of trends in variables such as mortality, turnover, invalidity and others in relation to the population of the participating employees.

Differences in the value of net liabilities relating to employee benefit plans, arising due to changes in the actuarial assumptions used and the difference between the actuarial assumptions previously adopted and actual events, occur routinely and are called actuarial gains and losses. Actuarial gains and losses relating to defined-benefit plans are recognised in the statement of comprehensive income. Actuarial assumptions are also used to determine other long-term employee benefit obligations; to this end, the effects arising from changes to the actuarial assumptions or the characteristics of the benefit are fully recognised in the income statement.

Provisions for risks and charges

In addition to the amounts allocated to the provisions for environmental liabilities, Italgas recorded provisions mainly relating to the following in the financial statements: (i) legal and tax disputes; (ii) staff leaving incentives; (iii) expenses related to meeting the Energy Efficiency Certificates targets (EEC) set by the Authority; (iv) provision for contractual risks.

Provisions are made to cover the risk of future outlay for the cases set out above. The value of the provisions recorded in the financial statements for such risks reflects the best estimate made by the company's management with the support of independent professionals at the preparation date of this document. This estimate involves making assumptions based on factors that may vary over time, which could, therefore, produce a significantly different outcome with respect to the current estimates made by the company's management for the preparation of the Group's financial statements.

6) Corporate transactions

On 1 July 2025, the merger by incorporation of 2i Rete Gas into Italgas Reti became effective, followed by the demerger of the former 2i Rete Gas IT business unit, including the equity investment in IG Rete Dati, in favour of Bludigit, a company of the Italgas Group. These transactions were carried out following the acquisition of 99.94% of 2i Rete Gas S.p.A., completed by the sole shareholder Italgas S.p.A. on 1 April 2025.

As required by Assirevi OPI Guidelines no. 1 (Revised) and no. 2 (Revised), the transaction was recognised at the values resulting from the consolidated financial statements of the common group (so-called Business Combination Under Common Control).

The transaction was consequently accounted making reference to the fair values of the assets and liabilities acquired, as determined by the parent company Italgas S.p.A. during the Purchase Price Allocation in accordance with IFRS 3, which mainly involved:

- (i) the recognition of Intangible assets – consisting of concessions for the natural gas distribution service, which fall within the scope of IFRIC 12 – Service Concession Arrangements – and Other non-current liabilities (contributions received from users) at fair value, using values determined on the basis of the Regulatory Asset Base (RAB) for the relevant locations⁴ as at the acquisition date. The use of the RAB is a generally accepted method within regulated utility sectors for the purpose of estimating fair value;
- (ii) the recognition of financial liabilities at fair value in order to reflect, including for fixed-rate bonds, conditions in line with market conditions at the acquisition date.

The recognition of assets and liabilities has resulted, in accordance with applicable tax legislation, in the recognition of deferred taxes on temporary differences between carrying amounts and tax bases.

The Intangible assets include goodwill as determined in the consolidated financial statements of the common group in relation to the transferred business.

Goodwill relates to future economic benefits that cannot be separately identified or transferred independently, such as the industrial and operational expertise of the management and the technical team. Furthermore, this amount reflects that, for the majority of the concessions acquired, 2i Rete Gas operated under a prorogatio regime, pending the completion of new tender procedures at the Minimum Territorial Area (ATEM) level, as required by sector regulations. Goodwill recognised is not depreciated and is subject to an annual impairment test in accordance with IAS 36, or more frequently if there are indications of impairment.

The concurrent demerger transaction was also recognised in continuity of values, as it represented a transfer of business within the same group.

The values relating to the transactions carried out are set out below:

(€ thousand)	2i RETE GAS (merger as at 1 July 2025)	Demerger of the business unit to Bludigit
Cash and cash equivalents	649	
Current financial assets	41,304	
Trade receivables and other receivables	394,663	-211
Inventories	15,930	
Tax assets	83	
Other current assets	22,982	
Current assets	475,611	-211
Property, plant and equipment	53,231	-2,348
Intangible assets	5,832,104	-42,433
Equity investments	17,989	-11,764
Non-current tax receivables	306	
Prepaid taxes	291,964	-560
Other non-current assets	50,288	-3,052
Non-current assets	6,245,882	-60,157
TOTAL ASSETS	6,721,493	-60,368
Current financial liabilities	551,493	
Trade and other payables	388,165	-11,167
Tax liabilities	18,590	
Other current liabilities	15,653	
Current liabilities	973,901	-11,167
Non-current financial liabilities	2,506,831	
Provisions for risks and charges	61,643	-170
Provisions for employee benefits	25,564	-181
Deferred tax liabilities	286,732	
Other non-current liabilities	738,634	
Non-current liabilities	3,619,404	-351
TOTAL LIABILITIES	4,593,305	-11,518
VALUE OF NET ASSETS ACQUIRED	2,128,188	
VALUE OF NET ASSETS TRANSFERRED		-48,850

⁴ RAB (Regulatory Asset Base) for a specific area' refers to the value of fixed assets, net of capital grants and user contributions received for regulatory purposes, relating to the geographical area (tariff zone) relevant for the determination of tariffs for the natural gas distribution service.

7) Cash and cash equivalents

Cash and cash equivalents, equal to 12,572 thousand euro (6,494 thousand euro as at 31 December 2024), refer to current account deposits held at banks.

Cash and cash equivalents are not subject to any usage restrictions.

8) Current financial assets

Current financial assets, amounting to 396,033 thousand euro (458,034 thousand euro as at 31 December 2024), relate mainly to current account balances with the parent company Italgas S.p.A.

9) Trade receivables and other receivables

Trade receivables and other receivables, amounting to 1,078,578 thousand euro (640,653 thousand euro as at 31 December 2024) include the following:

(€ thousand)	As of 31 December 2024	As of 31 December 2025
Trade receivables	523,923	920,972
Receivables from investment/divestment activities	5,278	4,300
Other receivables	111,452	153,306
	640,653	1,078,578

Trade receivables (920,972 thousand euro as at 31 December 2025 and 523,923 thousand euro as at 31 December 2024) mainly relate to gas distribution and metering services and related ancillary services. Trade receivables mainly concern receivables from sales companies and receivables from the Cassa per i Servizi Energetici e Ambientali (CSEA), primarily relating to equalisation (168,044 thousand euro).

The increase of 373,049 thousand euro is mainly attributable to the incorporation of 2i Rete Gas into Italgas Reti.

Receivables from investment/divestment activities (4,300 thousand euro as at 31 December 2025 and 5,278 thousand euro as at 31 December 2024) refer to the sale of property, plant and equipment and intangible assets.

Other receivables (153,306 thousand euro as at 31 December 2025 and 111,452 thousand euro as at 31 December 2024) break down as follows:

(€ thousand)	As of 31 December 2024	As of 31 December 2025
IRES receivables for the national tax consolidation scheme	5,154	1,014
VAT receivables for liquidation of Group VAT	4,446	3,416
Receivables due from CSEA	56,650	98,737
Receivables from the Public administration	1,655	2,546
Advances to suppliers	35,957	38,687
Receivables from personnel	1,611	2,120
Sundry other	5,979	6,786
	111,452	153,306

IRES receivables relating to the national tax consolidation regime (1,014 thousand euro as at 31 December 2025 and 5,154 thousand euro as at 31 December 2024) relate to receivables arising from the refund claim for IRES resulting from the partial deductibility of IRAP for the tax periods from 2004 to 2007 (pursuant to Article 6 of Decree-Law no. 185 of 28 November 2008, converted into Law no. 2 of 28 January 2009) and for the tax periods from 2007 to 2011 (pursuant to Decree-Law no. 201/11).

Receivables esigible from CSEA (98,737 thousand euro as at 31 December 2025 and 56,650 thousand euro as at 31 December 2024) mainly refer to additional gas distribution tariff components and premiums relating to safety recoveries of the gas distribution service.

Receivables from public Administrations (2,546 thousand euro at 31 December 2025 and 1,655 thousand euro as at 31 December 2024) relate to receivables from Municipalities, mainly for the public space occupation fee (the so-called “Canone per l’occupazione di spazi e aree pubbliche” or “COSAP”).

The amortised cost criterion has not been applied to “Trade receivables and other receivables”, as collection is reasonably expected within the following 12 months and any costs, fees and any other differences between the initial value and the maturity value are immaterial. The effects arising from the application of the amortised cost criterion are therefore insignificant.

Trade and other receivables are reported net of the bad debt provision (10,658 thousand euro at 31 December 2025 and 4,547 thousand euro at 31 December 2024). Changes during the current and previous year are shown below:

(€ thousand)	Provision for impairment losses at 31.12.2023	Acquired through business combination	Provisions	Uses	Other changes	Provision for impairment losses at 31.12.2024
Trade receivables	5,346	3,211		(799)	(3,211)	4,547
	5,346	3,211		(799)	(3,211)	4,547

(€ thousand)	Provision for impairment losses at 31.12.2024	Acquired through business combination	Provisions	Uses	Other changes	Provision for impairment losses at 31.12.2025
Trade receivables	4,547		978		5,133	10,658
	4,547		978		5,133	10,658

Bad debt provision reflects estimated losses in connection with the Group’s credit portfolio. Impairment is made for expected losses on receivables, estimated both on the basis of past experience with receivables with similar credit risk and on the basis of future expected loss on open positions as at the reference date, as well as careful monitoring of the quality of credit portfolios.

The other changes mainly relate to amounts attributable to 2i Rete Gas arising from its incorporation into Italgas Reti in 2025.

The following table provides the aging of Trade receivables and other receivables:

(€ thousand)	As of 31 December 2024			As of 31 December 2025		
	Trade receivables	Other receivables	Total	Trade receivables	Other receivables	Total
Receivables not overdue	514,381	116,730	631,111	881,339	157,606	1,038,945
Receivables overdue:	9,542		9,542	39,633		39,633
- from 0 to 3 months	428		428	4,541		4,541
- from 3 to 6 months	810		810	4,273		4,273
- from 6 to 12 months	924		924	13,073		13,073
- over 12 months	7,380		7,380	17,746		17,746
	523,923	116,730	640,653	960,972	157,606	1,078,578

Overdue receivables, amounting to 39,633 thousand euro, mainly relate to receivables from end users for gas supply.

Receivables from related parties are described in section “Related party transactions”.

Specific information on credit risk is provided in section “Guarantees, commitments and risks - Financial risk management - Credit risk”.

10) Inventories

Inventories, amounting to 53,108 thousand euro (38,460 thousand euro as at 31 December 2024), are analysed in the table below:

(€ thousand)	As of 31 December 2024			As of 31 December 2025		
	Gross value	Provision for impairment losses	Net value	Gross value	Provision for impairment losses	Net value
Raw materials, consumables and supplies	44,652	(6,192)	38,460	59,661	(6,553)	53,108
	44,652	(6,192)	38,460	59,661	(6,553)	53,108

Inventories of Raw materials, consumables and supplies, amounting to 53,108 thousand euro as at 31 December 2025, mainly consist of materials relating to gas distribution, primarily smart meters (38,936 thousand euro), and increased by 14,648 thousand euro compared with 31 December 2024 as a combined effect of the incorporation of 2i Rete Gas and the gas meter replacement plan.

Inventories are net of provision for obsolete inventories for 6,553 thousand euro (6,192 thousand euro as at 31 December 2024).

Inventories are not collateralised. Inventories do not secure liabilities, nor are recognised at net realisable value.

11) Current and non-current tax receivables/liabilities

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

(€ thousand)	As of 31 December 2024			As of 31 December 2025		
	Current	Non-current	Total	Current	Non-current	Total
Tax receivables	1,034	11,635	12,669	2,014	15,173	17,187
- IRES	1,034	11,635	12,669	2,014	15,173	17,187
Tax liabilities	14,047		14,047	2,648		2,648
- IRAP	14,047		14,047	2,648		2,648

Taxes pertaining to the current year are shown in the section "Income taxes".

12) Other current and non-current financial assets/liabilities

The market value of the derivative financial instruments as at 31 December 2025 is analysed below:

(€ thousand)	As of 31 December 2024			As of 31 December 2025		
	Current	Non-current	Total	Current	Non-current	Total
Other assets	1,066	546	1,612	839	453	1,292
Derivative financial instruments for foreign exchange risk						
- Fair value instruments for foreign exchange risk	1,066	546	1,612	839	453	1,292
Other liabilities						

Other current and non-current assets amounting to 1,292 thousand euro (1,612 thousand euro as at 31 December 2024) mainly relate to the fair value of derivative financial instruments hedging foreign exchange risk, accounted for under IFRS 9 hedge accounting. The effectiveness testing carried out as at 31 December 2025 did not show any impacts on the income statement in terms of ineffectiveness.

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

Other current non-financial assets, amounting to 70,502 thousand euro (44,966 thousand euro as at 31 December 2024) and other non-current non-financial assets, amounting to 143,638 thousand euro (105,709 thousand euro as at 31 December 2024), break down as follows:

(€ thousand)	As of 31 December 2024			As of 31 December 2025		
	Current	Non-current	Total	Current	Non-current	Total
Other regulated activities	41,803	103,261	145,064	60,674	111,899	172,573
Other assets	3,163	2,448	5,611	9,828	31,739	41,567
- Other current taxes	2,531		2,531	3,554		3,554
- Accrued income and deferrals	632	163	795	6,274	300	6,574
- Security deposits		2,226	2,226		4,928	4,928
- Other		59	59		26,511	26,511
	44,966	105,709	150,675	70,502	143,638	214,140

Other regulated activities (172,573 thousand euro as at 31 December 2025 and 145,064 thousand euro as at 31 December 2024) mainly relate to (i) tariff recognition by the Authority, following the plan to replace traditional meters with electronic meters pursuant to Article 57 of ARERA Resolution no. 367/14 as amended, as a result of the change in methodology relating to previous years and the recovery of non-recognised depreciation (so-called IRMA) pursuant to Consultation Document no. 545/2020/R/gas, Resolution no. 570/2019/R/gas and Determination no. 3/2021; and (ii) tariff recognition pursuant to Resolution no. 737/2022/R/gas and Determination no. 1/2023 of 11 October 2023 – DINE of the residual unamortised costs of smart meters installed during the first phase of the roll-out of the installation plans provided for by the smart gas meter Directives, which became necessary to dispose of in advance of the end of their useful life.

Other current tax assets, amounting to 3,554 thousand euro (2,531 thousand euro as at 31 December 2024) mainly refer to VAT receivables (2,953 thousand euro).

The item "Other", amounting to 26,511 thousand euro as at 31 December 2025 (59 thousand euro as at 31 December 2024), increased by 26,452 thousand euro as a result of the acquisition from Geoside S.p.A. of Super/ECobonus receivables (26,442 thousand euro), which can be offset against taxes payable by the Group. Group Management has assessed the recoverability of the Super/ECobonus receivables based on the Group's expected overall tax contribution in the following years in accordance with regulatory requirements and, after its assessments, it is believed that the recoverability of the receivable is adequately guaranteed by the Group's ample tax capacity.

14) Property, plant and equipment

Property, plant and equipment, amounting to 383,306 thousand euro as at 31 December 2025 (297,791 thousand euro at 31 December 2024), breaks down as follows:

(€ thousand)	As of 31 December 2024						
	Land	Buildings	Plant and equipment	Industrial and commercial equipment	Other assets	Work in progress and payments on account	Total
Historical cost at 31.12.2023	15,966	448,346	4,485	116,240	52,796	10,610	648,443
of which right of use as at 31.12.2023	4,398	29,722		33,575	52,796		120,491
Additions	51	5,481	871	3,392		10,589	20,384
Right of use additions	708	3,634		9,578	882		14,802
Disposal	(162)	(3,512)		(175)		(429)	(4,278)
Disposals of right of use		(2,006)		(4,295)			(6,301)
Reclassifications	6	2,159	3	(1,204)	(105)	(1,092)	(233)
Reclassifications of right of use		(54)		(6,009)	6,296		233
Acquired through business combination			297	11,102	937	106	12,442
Right of use acquired through business combination		288					288
Other changes			(295)	(10,123)	(832)		(11,250)
Other changes in right of use		(2)		(4)			(6)
Historical cost at 31.12.2024	16,569	454,334	5,361	118,506	59,970	19,784	674,524
Accumulated depreciation at 31.12.2023	(274)	(222,879)	(2,087)	(99,376)	(27,987)		(352,603)
of which right of use as at 31.12.2023	(274)	(16,454)		(30,410)	(27,987)		(75,125)
Depreciation		(7,619)	(697)	(3,926)	(1,372)		(13,614)
Amortisation of right of use	(553)	(4,972)		(4,801)	(10,353)		(20,679)
Disposal		2,483		132			2,615
Disposals of right of use		1,419		3,963			5,382
Acquired through business combination			(297)	(10,735)			(11,032)
Reclassifications		(5)		(1,367)	1,372		
Reclassifications of right of use		5		(2)	(3)		
Other changes		235	298	12,665			13,198
Accumulated amortisation and depreciation at 31.12.2024	(827)	(231,333)	(2,783)	(103,447)	(38,343)		(376,733)
Net balance at 31.12.2023	15,692	225,467	2,398	16,864	24,809	10,610	295,840
Net balance at 31.12.2024	15,742	223,001	2,578	15,059	21,627	19,784	297,791
- of which right of use	4,279	11,580		1,599	21,627		39,085

(€ thousand)	As of 31 December 2025						Total
	Land	Buildings	Plant and equipment	Industrial and commercial equipment	Other assets	Work in progress and payments on account	
Historical cost at 31.12.2024		16,569	454,334	5,361	118,506	59,970	674,524
of which right of use as at 31.12.2024		5,106	31,582		32,849	59,970	129,507
Additions		3	9,279	2,126	11,314	7,471	30,193
Right of use additions		433	16,853		10,972	19,498	47,756
Disposal			(1,496)	139	(5)		(1,362)
Disposals of right of use			(3,731)		(5,676)		(9,407)
Mergers			57,725		7,059		64,784
Demergers					(7,059)		(7,059)
Reclassifications			(44,000)		44,000		
Other changes	1,818		(2,597)	7,055	199	18,141	24,616
Other changes of right of use			(308)		22,139		21,831
Historical cost at 31.12.2025		18,823	486,060	14,681	201,449	79,468	845,877
Accumulated depreciation at 31.12.2024		(827)	(231,333)	(2,783)	(103,447)	(38,343)	(376,733)
of which right of use as at 31.12.2024		(827)	(20,002)		(31,250)	(38,343)	(90,422)
Depreciation			(7,577)	(787)	(4,011)		(12,376)
Amortisation of right of use		(535)	(7,048)		(7,858)	(13,333)	(28,774)
Disposal			1,020				1,020
Disposals of right of use			1,618		4,663		6,281
Mergers			(6,842)		(4,711)		(11,553)
Demergers					4,711		4,711
Reclassifications			41,426		(41,426)		
Other changes			(41,427)	(1,099)			(42,526)
Other changes of right of use			(2,779)		157		(2,622)
Accumulated amortisation and depreciation at 31.12.2025		(1,362)	(252,942)	(4,669)	(151,922)	(51,676)	(462,571)
Net balance at 31.12.2024		15,742	223,001	2,578	15,059	21,627	297,791
Net balance at 31.12.2025		17,461	233,118	10,012	49,527	27,792	383,306
- of which right of use		4,177	16,185		25,996	27,792	74,150

Additions (77,949 thousand euro) mainly refer to industrial and commercial equipment (11,314 thousand euro), office buildings (9,279 thousand euro), work in progress and payments on account (7,471 thousand euro) and leased assets (47,756 thousand euro).

Depreciation (41,149 thousand euro) refers to economic and technical depreciation determined on the basis of the useful life of the assets or their remaining possible use by the Group. Amortisation related to right of use amounted to 28,774 thousand euro.

Rights of use are detailed in the following table:

(€ thousand)	As of 31 December 2024	Depreciation	Increases	Decreases	Other changes	As of 31 December 2025
Land	4,279	(535)	433			4,177
Buildings	11,580	(7,048)	16,853	(2,113)	(3,087)	16,185
- operating properties	11,580	(7,048)	16,853	(2,113)	(3,087)	16,185
Industrial and commercial equipment	1,599	(7,858)	10,972	(1,013)	22,296	25,996
- cars and ICT	1,599	(7,858)	10,972	(1,013)	22,296	25,996
Other assets	21,627	(13,333)	19,498			27,792
	39,085	(28,774)	47,756	(3,126)	19,909	74,150
Interest expense (included in financial expense)	314					1,121

Land and buildings, equal to 250,579 thousand euro (238,743 thousand euro as at 31 December 2024), mainly include buildings for office use, workshops, warehouses and depots used in the corporate business, of which rights of use for 20,362 thousand euro (15,859 thousand euro as at 31 December 2024).

Plant and machinery, amounting to 10,012 thousand euro (2,578 thousand euro as at 31 December 2024) mainly relates to photovoltaic plants and electric car charging points.

Industrial and commercial equipment (49,527 thousand euro and 15,059 thousand euro as at 31 December 2024) include rights of use for 25,996 thousand euro (1,599 thousand euro as at 31 December 2024) relating to IT infrastructures and leased vehicles.

During the year, there were no changes in the estimated useful life of assets or in the depreciation rates applied and explained by category in section - "Measurement criteria - Property, plant and equipment".

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

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

15) Intangible assets

Intangible assets, amounting to 12,310,344 thousand euro as at 31 December 2025 (6,530,664 thousand euro as at 31 December 2024) break down as follows.

(€ thousand)	As of 31 December 2024						Total
	Finite useful life					Indefinite useful life	
	Service concession arrangements	Industrial patent rights and intellectual property rights	Work in progress and payments on account IFRIC 12	Work in progress and payments on account	Other Intangible Assets	Goodwill	
Historical cost at 31.12.2023	11,136,392	98,931	156,038	10,303	103,136	11,974	11,516,774
Additions	503,875	619	74,383	4,683			583,560
Government grants	(29,100)		17,467				(11,633)
Changes in the scope of consolidation	24,444	5				5,635	30,084
Disposal	(86,574)		5,493				(81,081)
Reclassifications	106,949	682	(106,949)	(682)			
Other changes	(853,430)	(5)	(215)	214	1,357	(5,635)	(857,714)
Historical cost at 31.12.2024	10,802,556	100,232	146,217	14,518	104,493	11,974	11,179,990
Accumulated amortisation at 31.12.2023	(4,683,175)	(93,810)			(102,698)		(4,879,683)
Amortisation	(366,273)	(1,944)					(368,217)
Changes in the scope of consolidation	(2,037)						(2,037)
Disposal	42,167						42,167
Reclassifications	87	19			(106)		
Other changes	595,864						595,864
Accumulated amortisation at 31.12.2024	(4,413,367)	(95,735)			(102,804)		(4,611,906)
Accumulated impairments at 31.12.2023	(45,251)	(10)			(1,291)		(49,187)
Uses			11,043				11,043
Disposal	724						724
Reclassifications	10,804		(10,804)				
Accumulated impairments at 31.12.2024	(33,723)	(10)	(2,396)		(1,291)		(37,420)
Net balance at 31.12.2023	6,407,966	5,111	153,403	10,303	(853)	11,974	6,587,904
Net balance at 31.12.2024	6,355,466	4,487	143,821	14,518	398	11,974	6,530,664

(€ thousand)	As of 31 December 2025						Total
	Finite useful life					Indefinite useful life	
	Service concession arrangements	Industrial patent rights and intellectual property rights	Work in progress and payments on account IFRIC 12	Work in progress and payments on account	Other Intangible Assets	Goodwill	
Historical cost at 31.12.2024	10,802,556	100,232	146,217	14,518	104,493	11,974	11,179,990
Additions	612,092	241	116,223	5,247	8		733,811
Government grants	(8,085)		(1,649)				(9,734)
Changes in the scope of consolidation	35,476		4,670		1		40,147
Disposal	(81,828)		(1,820)				(83,648)
Mergers	8,920,820	297,284	54,626		15,644	522,531	9,810,905
Demergers		(282,018)		(51)			(282,069)
Reclassifications	148,759	973	(70,863)	(973)	(77,896)		
Other changes	(545,966)	(465)	(3,865)	2,114	(1,228)	(21,950)	(571,360)
Historical cost at 31.12.2025	19,883,824	116,247	243,539	20,855	41,022	512,555	20,818,042
Accumulated amortisation at 31.12.2024	(4,413,367)	(95,735)			(102,804)		(4,611,906)
Amortisation	(412,983)	(2,065)			(156)		(415,204)
Changes in the scope of consolidation	(5,869)						(5,869)
Disposal	42,604						42,604
Mergers	(3,626,933)	(253,249)			(9,812)		(3,889,994)
Demergers		239,275					239,275
Reclassifications	(77,764)				77,764		
Other changes	238,777	461			111		239,349
Accumulated amortisation at 31.12.2025	(8,255,535)	(111,313)			(34,897)		(8,401,745)
Accumulated impairments at 31.12.2024	(33,723)	(10)	(2,396)		(1,291)		(37,420)
Uses	19,512						19,512
Disposal	(81,079)	(361)	(7,367)				(88,807)
Mergers		361					361
Other changes	405		(4)				(401)
Accumulated impairments at 31.12.2025	(94,885)	(10)	(9,767)		(1,291)		(105,953)
Net balance at 31.12.2024	6,355,466	4,487	143,821	14,518	398	11,974	6,530,664
Net balance at 31.12.2025	11,533,404	4,924	233,772	20,855	4,834	512,555	12,310,344

The item Investments, amounting to 733,811 thousand euro, includes technical investments made during the year (728,315 thousand euro, mainly relating to network extension and extraordinary maintenance and the replacement of meters) and investments in other intangible assets amounting to 5,496 thousand euro.

Service concession arrangements including the related work in progress, amounting to 11,767,176 thousand euro (6,499,287 thousand euro as at 31 December 2024), refer to agreements between the public and private sectors (“Service concession arrangements”) on the development, financing, management and maintenance of infrastructure under concession by a contracting party. The provisions relating to the service concession agreements are applicable for the Group in its role as a public service natural gas distributor in

Italy, i.e. they are applicable to the agreements under which the operator is committed to providing the public natural gas distribution at the tariff established by the Authority, holding the right to use the infrastructure, which is controlled by the grantor, for the purposes of providing the public service.

The item Mergers, amounting to 5,832,104 thousand euro, relates to the effect of the incorporation of 2i Rete Gas into Italgas Reti.

Changes in the scope of consolidation relate to Cilento Reti Gas S.r.l., subsidiary of 2i Rete Gas before its merger into Italgas Reti.

Work in progress and payments on account IFRIC 12 for 233,772 thousand euro (143,821 thousand euro at 31 December 2024) mainly refers to new networks under construction and digitisation of natural gas distribution networks.

Industrial patent rights and intellectual property rights of 4,924 thousand euro (4,487 thousand euro as at 31 December 2024) mainly concern information systems and applications in support of operating activities.

Other intangible assets, amounting to 4,834 thousand euro (398 thousand euro as at 31 December 2024), mainly relate to costs associated with the incorporation of 2i Rete Gas.

Intangible assets with an indefinite useful life of 512,555 thousand euro (11,974 thousand euro as at 31 December 2024) mainly refer to goodwill arising from the allocation process carried out in business combinations. The increase for the year relates essentially to the merger of 2i Rete Gas into Italgas Reti; as described in the section on corporate transactions, the assets and liabilities of 2i Rete Gas were recognised in continuity of values with those reported in the consolidated financial statements of the common group (so-called business combination under common control).

The decrease of €21,950 thousand relates to the portion of goodwill associated with assets held for sale.

Accumulated impairment losses, amounting to 105,953 thousand euro (37,420 thousand euro as at 31 December 2024), mainly relates to service concession arrangements and metering instruments, the utilization of which over the course of the year is linked to the disposals made during the financial year of metering instruments that were not working, in advance of their useful life end.

Advanced research and development costs for the period are included in the item Work in progress and include the costs incurred for the development of the meter developed in-house, Nimbus.

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

Impairment test

The carrying amount of property, plant and equipment and intangible assets is periodically revised as per IAS 36, which requires to assess the existence of impairment indicators. In the case of goodwill, intangible assets with an indefinite useful life or intangible assets not yet available for use, this assessment is done at least once a year and whenever there is an indication of possible impairment.

As envisaged by IAS 36, the recoverability of the values recognised is verified by comparing the carrying amount of the net invested capital recognised in the financial statements referring to each CGU, including goodwill where present, with the recoverable amount, determined as the higher of value in use of the asset in its current condition and the value obtainable from selling the asset (fair value), less costs to sell.

In 2025, the impairment test was performed for the only cash-generating unit ("CGU") identified, namely Gas distribution and metering and other gases.

Goodwill of 512,555 thousand euro was recognised following business combination and is allocated to the CGU that benefits from the synergies arising from the acquisition; the caption increased compared with the comparative year as a result of the acquisition of 2i Rete Gas; for details on how RAB⁵ is determined, please refer to paragraph 5, 'Use of estimates'

The use of the RAB for estimating recoverable amount is a generally accepted method in regulated utility sectors.

⁵ RAB is the basis for determining service tariffs and, consequently, the cash flows generated by operations. The value of RAB is determined using the revalued historical cost method for fixed assets, and on a flat-rate basis for working capital and severance pay.

The results of the test revealed significant headroom relative to the carrying amounts of the assets being tested, and no impairment losses were identified.

16) Investments accounted for using the equity method

Investments accounted for using the equity method, amounting to 24,963 thousand euro (21,628 thousand euro at 31 December 2024) break down as follows:

(€ thousand)	As of 31 December 2023	Investment	Share of the profit of investments in associates/joint ventures (*)	Dividends paid	Other changes	As of 31 December 2024
Energie Rete Gas	21,896		(268)			21,628
	21,896		(268)			21,628

(*) The values reported are integrated with the adjustments made in application of the equity valuation criterion.

(€ thousand)	As of 31 December 2024	Investment	Share of the profit of investments in associates/joint ventures (*)	Dividends paid	Other changes	As of 31 December 2025
Energie Rete Gas	21,628		(142)			21,486
Melegnano Energia Ambiente			47	(45)	3,475	3,477
	21,628		(95)	(45)	3,475	24,963

(*) The values reported are integrated with the adjustments made in application of the equity valuation criterion.

Equity investments are not collateralised.

The Group verified the recoverable amount for all equity investments held, regardless of the existence of impairment indicators.

The recoverable value of Energie Rete Gas was determined, as value in use, on the basis of the cash flows deriving from the 2026-2040 Plan, developed by the Group's management, approved by Company Management using the Discounted Cash Flow (DCF) method. Furthermore, the terminal value was estimated to be equal to the value of the RAB at the end of the plan period, plus 10%. The cash flows were discounted at a rate representative of the weighted average cost of capital (WACC) equal to 4.44%. The value in use determined according to the methods described above was higher than the value of the equity investment. Therefore, no impairment losses were found.

Consolidated companies, joint ventures, associates and other significant equity investments are indicated separately in the Appendix "Subsidiaries, associates and equity investments of Italgas Reti at 31 December 2025", which is an integral part of these notes.

Other information on equity investments

In accordance with the provisions of IFRS 12 - "Disclosure of interests in other entities", the economic and financial data for joint ventures and associates are provided below. The aggregated presentation does not obscure relevant information and gives a clearer overview of the equity investments in similar entities.

Equity investments in associates

Some economic and financial data for each significant associate⁶ considered material and accounted for using the equity method as required by IFRS 12 "Disclosure of Interests in Other Entities":

(€ thousand)	As of 31 December 2024
	Energie Rete Gas
Current assets	25,616
- of which Cash and Cash equivalents	4,420
Non-current assets	119,880
Total assets	145,496

⁶ The financial statement figures for associated companies values refer to the preliminary reporting packages.

Current liabilities	(11,128)
- of which Current financial liabilities	(1,721)
Non-current liabilities	(99,932)
- of which Non-current financial liabilities	(99,932)
Total liabilities	(111,060)
Equity interest held by the Group (%)	49.00%
Equity attributable to the Group	16,874
Other adjustments	4,755
Carrying amount	21,629
Revenues	15,859
Operating costs	(3,693)
Amortisation, depreciation and impairment	(5,316)
Operating Result	6,850
Financial Income (Expense)	(6,405)
Income taxes	(929)
Profit	(484)
Total comprehensive income	(484)

(€ thousand)	As of 31 December 2025	
	Energie Rete Gas	Melegnano Energia Ambiente
Current assets	23,837	2,773
- of which Cash and Cash equivalents	983	1,415
Non-current assets	125,369	7,787
Total assets	149,206	10,560
Current liabilities	(4,332)	(1,082)
- of which Current financial liabilities		
Non-current liabilities	(110,434)	(476)
- of which Non-current financial liabilities	(109,198)	
Total liabilities	(114,766)	(1,558)
Equity	34,440	9,002
Equity interest held by the Group (%)	49.00%	40.00%
Equity attributable to the Group	16,876	3,601
Other adjustments	4,610	(124)
Carrying amount	21,486	3,477
Revenues	15,754	2,638
Operating costs	(4,040)	(2,104)
Amortisation, depreciation and impairment	(5,851)	(373)
Operating Result	5,863	161
Financial Income (Expense)	(5,956)	
Income taxes	(401)	(42)
Profit	(494)	119
Total comprehensive income	(494)	119
Equity attributable to the Group	(242)	47

Energie Rete Gas S.r.l.

Energie Rete Gas S.r.l. is a company active in gas transmission through a network of regional methane pipelines located in Valle D'Aosta, Piedmont, Liguria, Tuscany and Sardinia.

The share capital of the company is held by Energetica S.p.A. (51%) and Medea S.p.A. (49%).

Melegnano Energia Ambiente S.p.A.

Melegnano Energia Ambiente S.p.A. is a company active in the provision of local public services, including gas and water distribution, in the Municipalities of Melegnano and Binasco. The company's share capital is held by the Municipality of Melegnano (60%) and by Italgas Reti S.p.A. (40%).

17) Prepaid taxes

Net prepaid taxes, amounting to 56,593 thousand euro (17,425 thousand euro as at 31 December 2024), are presented net of offsettable prepaid taxes and are analysed in the following tables:

(€ thousand)	As of 31 December 2023	Business combination	Provisions	Uses	Other changes	As of 31 December 2024
Deferred tax liabilities	(220,231)		(398)	12,650	(1,067)	(209,046)
Prepaid taxes	229,666	745	21,139	(18,445)	(6,634)	226,471
	9,435	745	20,741	(5,795)	(7,701)	17,425

(€ thousand)	As of 31 December 2024	Business combination	Provisions	Uses	Other changes	As of 31 December 2025
Deferred tax liabilities	(209,046)	(59)	(1,227)	26,344	(271,993)	(455,981)
Prepaid taxes	226,471	1,015	29,922	(30,612)	285,778	512,574
	17,425	956	28,695	(4,268)	13,785	56,593

There are no deferred taxes which cannot be offset.

Deferred taxes and prepaid taxes break down as follows, based on the most significant temporary differences:

(€ thousand)	As of 31 December 2024								
	Opening balance	Business combination	Provisions	Uses	Impacts recorded in equity	Other changes	Closing balance	of which: IRES	of which: IRAP
Deferred tax liabilities	(220,231)		(398)	12,650	(2)	(1,065)	(209,046)	(190,466)	(18,580)
Amortisation and depreciation exclusively for tax purposes	(126,939)		(24)	6,817		(255)	(120,401)	(114,245)	(6,156)
Revaluations of property, plant and equipment	(83,121)			3,558		(1,491)	(81,054)	(68,924)	(12,130)
Capital gains subject to deferred taxation	(4,718)			2,054		(5)	(2,669)	(2,669)	
Employee benefits	(1,572)				(2)	577	(997)	(997)	
Capitalisation of financial expense	(2,090)			122			(1,968)	(1,674)	(294)
Impairment losses on receivables in excess of tax deductibility	(1,322)		(374)	99		33	(1,564)	(1,564)	
Other temporary differences	(469)					76	(393)	(393)	
Prepaid taxes	229,666	745	21,139	(18,445)	(201)	(6,433)	226,471	212,604	13,867
Provisions for risks and charges and other non-deductible provisions	37,354		848	(9,378)		(118)	28,706	24,308	4,398
Non-repayable and contractual grants	54,658			(1,457)		138	53,339	45,537	7,802
Non-deductible amortisation and depreciation	120,952	745	19,621	(7,424)		(6,022)	127,872	127,420	452
Employee benefits	7,951		670	(186)	(201)	(160)	8,074	6,859	1,215
Other temporary differences	8,751					(271)	8,480	8,480	
Net prepaid taxes	9,435	745	20,741	(5,795)	(203)	(7,498)	17,425	22,138	(4,713)

(€ thousand)	As of 31 December 2025								
	Opening balance	Business combination	Provisions	Uses	Impacts recorded in equity	Other changes	Closing balance	of which: IRES	of which: IRAP
Deferred tax liabilities	(209,046)	(59)	(1,227)	26,344	1,199	(273,192)	(455,981)	(404,907)	(51,074)
Amortisation and depreciation exclusively for tax purposes	(120,401)		(24)	7,625		637	(112,163)	(106,353)	(5,810)
Revaluations of property, plant and equipment	(81,054)			10,824		(143,482)	(213,712)	(180,168)	(33,544)
Capital gains subject to deferred taxation	(2,669)			1,501		(304)	(1,472)	(1,472)	
Employee benefits	(997)			50	(166)	(940)	(2,053)	(2,053)	
Capitalisation of financial expense	(1,968)			121			(1,847)	(1,572)	(275)
Impairment losses on receivables in excess of tax deductibility	(1,564)		(1,188)	6,223	1,365	(129,103)	(124,267)	(112,822)	(11,445)
Other temporary differences	(393)	(59)	(15)				(467)	(467)	
Prepaid taxes	226,471	1,015	29,922	(30,612)	(1,637)	287,415	512,574	482,604	29,970
Provisions for risks and charges and other non-deductible provisions	28,706	582	2,081	(19,725)		53,436	65,080	55,224	9,856
Non-repayable and contractual grants	53,339			(1,450)		25,022	76,911	66,645	10,266
Non-deductible amortisation and depreciation	127,872	349	26,578	(8,252)		197,384	343,931	336,209	7,722
Employee benefits	8,074		587	(459)	259	6,238	14,699	12,573	2,126
Other temporary differences	8,480	84	676	(726)	(1,896)	5,335	11,953	11,953	
Net prepaid taxes	17,425	956	28,695	(4,268)	(438)	14,223	56,593	77,697	(21,104)

Prepaid taxes and deferred taxes are classified as non-current.

The Group has booked prepaid taxes on the timing differences at 31 December 2025, insofar as it believes it is likely they will be recovered.

Section "Income taxes" provides information about taxes for the year.

18) Non-current financial assets

Non-current financial assets, amounting to 312,414 thousand euro as at 31 December 2025 (306,179 thousand euro as at 31 December 2024), mainly relate to the residual value of the concession with the Municipality of Rome (299,600 thousand euro) and to equity investments measured at fair value (8,642 thousand euro).

19) Non-current assets and liabilities held for sale

Non-current assets held for sale, amounting to 281,410 thousand euro (4,871 thousand euro as at 31 December 2024), and *non-current liabilities held for sale*, amounting to 46,253 thousand euro, mainly relate to the disposal of a defined number of re-delivery points (PdRs) in specific ATEMs identified by the Italian Competition Authority (AGCM) following the acquisition of 2i Rete Gas. On 6 June 2025, Italgas published a notice for the sale of control of the activities corresponding to at least 20% of the total re-delivery points in the following ATEMs: Agrigento, Bari 2, Benevento, Brescia 5, Caltanissetta, Campobasso, Caserta 2, Catania 1, Frosinone 2, L'Aquila 2, Mantua 2, Massa Carrara, Matera, Messina 2, Naples 2, Novara 2, Padua 2, Padua 3, Potenza 1, Potenza 2, Ragusa, Reggio di Calabria-Vibo Valentia, Rome 4, Rome 5, Salerno 1, Salerno 3, Teramo, Turin 6, Trapani, Varese 1, Viterbo. Italgas shall also dispose of control of the activities held in the ATEMs of Barletta-Andria-Trani, Caserta 1, Cosenza 2 and Pisa, corresponding to at least the number of re-delivery points (PdRs) that Italgas S.p.A. acquired from 2i Rete Gas S.p.A.

The Authority completed the assessment of the suitability of potential buyers and, in accordance with AGCM Measure no. 31476, awarded the gas distribution activities in twelve Territorial Areas (ATEMs), including Bari 2, Barletta-Andria-Trani, Brescia 5, Campobasso, Frosinone 2, Massa Carrara, Padua 2 and 3, Pisa, Rome 5, Teramo and Viterbo. Having been selected through a competitive procedure, the buyers were Ascopiave S.p.A., Erogasmet S.p.A., GP Infrastrutture S.r.l., and a temporary consortium consisting of Plures (formerly Alia Servizi Ambientali S.p.A.), Estra S.p.A. and Centria S.r.l.

A total of 247,000 re-delivery points will be sold for a total consideration of 253.1 million euro, together with the related networks and service plants, the personnel involved and the assets required for service management. On 1 March 2026, the ATEMs of Bari 2, Barletta-Andria-Trani, Pisa and Teramo were transferred to a temporary consortium comprising Plures, Estra and Centria, for approximately 120,000 active re-delivery points (PdRs). The remaining disposals will take place by the second quarter of 2026.

See point 38 – "Significant events after year end", for updates on the disposal procedure.

(€ thousand)	As of 31 December 2024	As of 31 December 2025
Non-current assets held for sale	4,871	281,410
- including Goodwill		21,950
Non-current liabilities held for sale		46,253
	4,871	235,157

20) Current and non-current financial liabilities

Current financial liabilities, amounting to 838,094 thousand euro (103,689 thousand euro as at 31 December 2024) and non-current financial liabilities, amounting to 6,415,943 thousand euro (3,996,061 thousand euro as at 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
Financial liabilities due to the parent company	11	92,610	92,621	2,408,855	1,562,439	3,971,294
Bank loans	20	225	245	256		256
Financial debt pursuant to IFRS 16		10,823	10,823	18,542	5,969	24,511
	31	103,658	103,689	2,427,653	1,568,408	3,996,061

(€ thousand)	As of 31 December 2025					
	Current liabilities			Non-current liabilities		
	Current liabilities	Current portion of long-term liabilities	Total current liabilities	Non-current portion due within 5 years	Non-current portion due beyond 5 years	Total non-current liabilities
Financial liabilities due to the parent company	24,751	96,652	121,403	2,936,138	1,599,880	4,536,018
Bonds		455,925	455,925	719,958	1,034,689	1,754,647
Bank loans	175	243,266	243,441	72,498		72,498
Financial debt pursuant to IFRS 16		17,325	17,325	39,736	13,044	52,780
	24,926	813,168	838,094	3,768,330	2,647,613	6,415,943

As required by IAS 7 (§44A), below is the statement showing the reconciliation of the changes in financing liabilities, distinguishing between changes arising from cash flow and other non-monetary changes.

(€ thousand)	As of 31 December 2024	Cash flow	Other non-monetary changes		As of 31.12.2025
			Other changes	31 December 2025	
Financial debt due to the parent company	4,063,915	558,679	34,827		4,657,421
of which current	92,621	(557,267)	586,049		121,403
of which non-current	3,971,294	1,115,946	(551,222)		4,536,018
Bonds		(501,915)	29,210	2,683,277	2,210,572
of which current		(501,915)	457,840	500,000	455,925
of which non-current			(428,630)	2,183,277	1,754,647
Bank loans	501	(9,091)	(27,079)	351,608	315,939
of which current	245	(9,091)	207,547	44,740	243,441
of which non-current	256		(234,626)	306,868	72,498
Lease liabilities (IFRS 16)	35,334	(28,774)	40,055	23,490	70,105
of which current	10,823	(28,774)	28,523	6,753	17,325
of which non-current	24,511		11,532	16,737	52,780
	4,099,750	18,899	77,013	3,058,375	7,254,037

Current financial liabilities

Current financial liabilities, amounting to 838,094 thousand euro (103,689 thousand euro as at 31 December 2024), mainly relate to the current portion of long-term liabilities. The increase of 734,405 thousand euro is mainly attributable to the incorporation of 2i Rete Gas into Italgas Reti.

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

Non-current financial liabilities

Non-current financial liabilities amount to 6,415,943 thousand euro (3,996,061 thousand euro as at 31 December 2024).

The change of 2,419,882 thousand euro is mainly attributable to the incorporation of 2i Rete Gas as a result of the outstanding notes.

The breakdown of the notes, amounting to 2,210,572 thousand euro and recognised following the incorporation of 2i Rete Gas into Italgas Reti, is set out below, indicating the issuing company, the year of issue, the currency, the average interest rate and the maturity.

Bonds:

(€ thousand)

Issuing company	Issue (year)	Currency	Nominal Value	Adjustment to amortised cost	FV Bond	Financing value as at 31.12.2025	Interest accrual as at 31.12.2025	Balance as at 31.12.2025	Rate (%)	Due date (year)
Euro Medium Term Notes										
ITALGAS RETI S.p.A. (formerly 2i Rete Gas)	2017	euro	435,000	(1,786)		433,214	2,586	435,800	1.75%	28 August 2026
ITALGAS RETI S.p.A. (formerly 2i Rete Gas)	2017	euro	730,000	(1,448)	(8,594)	719,958	2,665	722,623	1.61%	31 October 2027
ITALGAS RETI S.p.A. (formerly 2i Rete Gas)	2021	euro	500,000	(5,154)	(38,000)	456,846	13,713	470,559	0.58%	29 January 2031
ITALGAS RETI S.p.A. (formerly 2i Rete Gas)	2023	euro	550,000	(195)	29,800	579,605	1,985	581,590	4.38%	06 June 2033
			2,215,000	(8,583)	(16,794)	2,189,624	20,949	2,210,572		

The notes issued by 2i Rete Gas were measured at fair value in the context of the business combination under common control. The difference between the fair value and the nominal value is shown in the column "FV bond".

The breakdown of the loans entered into with Italgas S.p.A., amounting to 4,657,421 thousand euro, is analysed in the table set out below.

(€ thousand)

Type	Issue (year)	Currency	Nominal Value	Amortised cost adjustment	Financing value as at 31.12.2025	Interest accrual as at 31.12.2025	Balance as at 31.12.2025	Rate (%)	Due date (year)
Italgas S.p.A. – Bond repayment	2017	euro	487,500	(623)	486,877	7,508	494,386	1.625%	2027
Italgas S.p.A. – Bond repayment	2017	euro	450,000	(554)	449,446	6,931	456,376	1.625%	2029
Italgas S.p.A. – Bond repayment	2019	euro	500,000	(1,479)	498,521	274	498,795	1.000%	2031
Italgas S.p.A. – Bond repayment	2021	euro	250,000	(194)	249,806		249,806		2028
Italgas S.p.A. – Bond repayment	2021	euro	250,000	(981)	249,019	1,089	250,108	0.500%	2033
Italgas S.p.A. – Bond repayment	2023	euro	300,000	(2,551)	297,449	6,984	304,433	4.125%	2032
Italgas S.p.A. – Bond repayment	2024	euro	325,000	(1,701)	323,299	9,071	332,370	3.125%	2029
Italgas S.p.A. – EIB loan repayment	2017	euro	288,000	(97)	287,903	417	288,320	0.35+Euribor 6M	2037
Italgas S.p.A. – EIB loan repayment	2015	euro	82,667	(128)	82,539	322	82,860	0.14+Euribor 6M	2035
Italgas S.p.A. – EIB loan repayment	2016	euro	175,000	(38)	174,962	402	175,364	0.47+Euribor 6M	2032
ITALGAS S.p.A. – CAIXA BANK loan repayment	2025	euro	300,000	(443)	299,557		299,557	0.67+Euribor 3M	2028
ITALGAS S.p.A. – BBVA loan repayment	2025	euro	300,000	(383)	299,617		299,617	0.70+Euribor 3M	2028
ITALGAS S.p.A. – BNL loan repayment	2025	euro	250,000	(346)	249,654		249,654	0.67+Euribor 3M	2028
ITALGAS S.p.A. – CACIB loan repayment	2025	euro	250,000	(525)	249,475		249,475	0.60+Euribor 3M	2028
Italgas S.p.A. – Long-term intercompany loan	2019	euro	405,829	(4,281)	401,548		401,548	2.300%	2028
Current portion of financial debt							24,751		
			4,613,995	(14,323)	4,599,672	32,997	4,657,421		

The breakdown of bank loans, amounting to 315,939 thousand euro is provided in the table below.

(€ thousand)

Type	Issue (year)	Currency	Nominal Value	Amortised cost adjustment	Financing value as at 31.12.2025	Interest accrual as at 31.12.2025	Balance as at 31.12.2025	Rate (%)	Due date (year)
ITALGAS RETI (formerly 2i Rete Gas) - EBI	2015	euro	90,909		90,909	13	90,922	0.59+Euribor 6M	29.12.2030
ITALGAS RETI (formerly 2i Rete Gas) - EBI	2016	euro	70,000		70,000	5	70,005	1.392%	29.12.2026
ITALGAS RETI (formerly 2i Rete Gas) - EBI	2016	euro	155,000		155,000	12	155,012	1.398%	29.12.2026
			315,909		315,909	30	315,939		

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

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

There were no breaches of loan agreements as at the reporting date. For more information, see "Financial covenants and negative pledge contractual clauses" below.

Breakdown of total financial liabilities by interest rate type

As at 31 December 2025, fixed-rate debt accounted for 76.9% of total financial liabilities (89% as at 31 December 2024), while floating-rate debt stood at 23.1% (11% as at 31 December 2024).

Financial covenant and negative pledge contractual clauses

As at 31 December 2025 Italgas Reti had unsecured bilateral and syndicated loan agreements in place with banks and other financial institutions.

As at 31 December 2025, three EIB loan agreements entered into by 2i Rete Gas were in place, which do not require compliance with specific financial covenants.

Analysis of net financial debt

An analysis 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 December 2025
A. Cash	5,443	11,521
B. Cash equivalents	1,051	1,051
C. Other current financial assets	459,100	396,872
D. Liquidity (A+B+C)	465,594	409,444
E. Current financial debt	31	24,926
F. Current portion of non-current financial debt (*)	103,658	813,419
G. Current financial debt (E+F)	103,689	838,345
<i>of which, related parties</i>	<i>93,257</i>	<i>121,606</i>
H. Net current financial debt (G-D)	(361,905)	428,901
I. Non-current financial debt (excluding the current portion and debt instruments) (*)	3,995,515	4,661,842
J. Debt instruments		1,754,647
K. Trade and other non-current payables		
L. Non-current financial debt (I+J+K)	3,995,515	6,416,489
<i>of which, related parties</i>	<i>3,972,314</i>	<i>4,537,584</i>
M. Net financial debt (H+L)	3,633,610	6,845,390

(*) Including financial debt pursuant to IFRS 16, of which 53,780 thousand euro are non-current (24,511 thousand euro as at 31 December 2024) and 17,325 thousand euro represent the current portion of financial debt (10,823 thousand euro as at 31 December 2024 and 1,250 thousand euro held for sale).

Cash, amounting to 11,521 thousand euro, is held in current accounts and fixed-term deposits that can be immediately liquidated with leading banks, and is not subject to any usage restrictions.

Net financial debt does not include payables for dividends resolved and yet to be distributed and payables for investing activity for contractually agreed earn-out.

21) Trade and other payables

Trade and other payables, which amount to 1,264,688 thousand euro (789,474 thousand euro as at 31 December 2024), comprise the following:

(€ thousand)	As of 31 December 2024	As of 31 December 2025
Trade payables	164,351	268,811
Payments on account and prepayments	3,847	9,168
Sundry other	621,276	986,709
	789,474	1,264,688

Trade payables of 268,811 thousand euro (164,351 thousand euro as at 31 December 2024) relate to payables to suppliers for the purchase of goods and services. The increase of 104,460 thousand euro is mainly attributable to the new scope resulting from the incorporation of 2i Rete Gas into Italgas Reti.

Sundry other (986,709 thousand euro as at 31 December 2025 and 621,276 thousand euro as at 31 December 2024) break down as follows:

(€ thousand)	As of 31 December 2024	As of 31 December 2025
Payables - shareholders for dividends	295	295
Payables - parent company for liquidation of Group VAT		7,630
Payables – parent company under the national tax consolidation regime	70,090	12,813
Payables for investment activities	334,079	401,198
Payables to the public administration	97,362	219,026
Payables to CSEA	79,686	273,922
Payables to personnel	17,741	36,981
Payables to social security institutions	11,539	17,615
Payables to consultants and professionals	1,254	2,427
Sundry other	9,230	14,802
	621,276	986,709

Payables for investment activities equal to 401,198 thousand euro (334,079 thousand euro as at 31 December 2024) mainly relate to payables to suppliers for technical activities.

Payables to the public administration (219,026 thousand euro; 97,362 thousand euro as at 31 December 2024) primarily involve payables to municipalities for concession fees for the gas distribution business.

Payables to the CSEA (273,922 thousand euro; 79,686 thousand euro as at 31 December 2024) mainly relate to several ancillary components of tariffs for the gas distribution service to be paid to the Fund (RE, RS, UG1 and GS)

⁷ for the remaining amount.

Amortised cost method was not applied to “Trade and other payables” 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.

22) Other current and non-current non-financial liabilities

Other current non-financial liabilities, amounting to 13,143 thousand euro (5,460 thousand euro as at 31 December 2024) and other non-current non-financial liabilities, amounting to 1,092,923 thousand euro (433,124 thousand euro as at 31 December 2024), are broken down as follows:

(€ thousand)	As of 31 December 2024			As of 31 December 2025		
	Current	Non-current	Total	Current	Non-current	Total
Other tax liabilities	5,396		5,396	9,356		9,356
Other liabilities related to connection fees		422,036	422,036		1,056,285	1,056,285
Liabilities for security deposits		11,088	11,088		36,638	36,638
Sundry other	64		64	3,787		3,787
	5,460	433,124	438,584	13,143	1,092,923	1,106,066

Current indirect tax liabilities of 9,356 thousand euro mainly refer to payables to the tax authorities for IRPEF withholdings for employees.

Other non-current liabilities, amounting to 1,092,923 thousand euro, mainly relate to gas connection contributions (1,056,285 thousand euro) and to liabilities for security deposits amounting to 36,638 thousand euro.

23) Provisions for risks and charges

Provisions for risks and charges, amounting to 102,984 thousand euro as at 31 December 2025 (67,205 thousand euro as at 31 December 2024), comprise the following:

⁷ These components refer to: (i) RE - Variable portion to cover the expenses for calculating and implementing energy savings and the development of renewable energy sources in the natural gas sector; (ii) RS - Variable portion as coverage for expenses for gas services quality; (iii) UG1 - Variable portion to cover any imbalances in the equalisation system and to cover any adjustments; and (iv) GS - Variable portion to cover the tariff compensation system for economically disadvantaged customers.

As of 31 December 2024								
(€ thousand)	Opening balance	Business combination	Provisions	Discounting	Uses against charges	Releases	Other changes	Closing balance
Provisions for environmental risks and charges	58,046			446	(15,595)			42,897
Provisions for site decommissioning risks and charges	2,792				(187)		142	2,747
Risk provision for litigation	5,455		2,172		(682)	(1,497)		5,448
Provisions for other risks - energy efficiency certificates	3,896				(248)	(146)		3,502
Provisions for personnel-related risks	5,499		32		(105)	(229)	(3)	5,194
Risk provision for tax disputes	214				(10)			204
Provisions for risks relating to concessions	2,450		1,561					4,011
Other provisions	5,042				(369)	(1,471)		3,202
	83,394		3,765	446	(17,196)	(3,343)	139	67,205

As of 31 December 2025								
(€ thousand)	Opening balance	Business combination	Provisions	Discounting	Uses against charges	Releases	Other changes	Closing balance
Provisions for environmental risks and charges	42,897			(608)	(9,660)		8,049	40,678
Provisions for site decommissioning risks and charges	2,747			(116)	(375)			2,256
Risk provision for litigation	5,448		2,719		(771)	(2,646)	3,170	7,920
Provisions for other risks - energy efficiency certificates	3,502		414			(3,793)	1,130	1,253
Provisions for personnel-related risks	5,194		34		(4,953)	(900)	5,913	5,288
Risk provision for tax disputes	204				(34)			170
Provisions for risks relating to concessions	4,011		2,035		(620)		26,982	32,408
Other provisions	3,202	5	49		(1,496)	(1,389)	12,640	13,011
	67,205	5	5,251	(724)	(17,909)	(8,728)	57,884	102,984

Provision for environmental risks and charges of 40,678 thousand euro (42,897 thousand euro as at 31 December 2024) mainly included costs for environmental soil reclamation, pursuant to Law no. 471/1999, as subsequently amended, primarily for the disposal of solid waste, in relation to the gas distribution business. The decrease of 2,219 thousand euro is mainly attributable to uses against charges incurred during the year (9,660 thousand euro) and to the incorporation of 2i Rete Gas into Italgas Reti (8,053 thousand euro).

Discounting was carried out using a rates curve representative of the risk-free rate.

Risk provision for litigation (7,920 thousand euro as at 31 December 2025 and 5,448 thousand euro as at 31 December 2024) included costs which the Group has estimated it will incur for existing lawsuits. For further information, please see subsection "Disputes and other measures".

Energy Efficiency Certificates (EEC) risk provision of 1,253 thousand euro (3,502 thousand euro as at 31 December 2024) represents the Group's estimated liability for fulfilling the obligations to deliver Energy Efficiency Certificates (EEC) arising from gas distribution activities.

Risk provision for early retirement of 5,288 thousand euro (5,194 thousand euro as at 31 December 2024) involves personnel incentive and mobility schemes.

Other provisions amounting to 13,011 thousand euro (3,202 thousand euro as at 31 December 2024) mainly refer to the estimated costs for various types of litigation in relation to the gas distribution service.

The effects on provisions for risks and charges arising from a reasonably possible change to the discount rate used at year-end are shown below. The sensitivity analysis on the discounting rates shows the change in value of the actuarial liabilities obtained with the year-end assessment data, by changing the discounting rate, without prejudice to other hypotheses.

(€ thousand)	% change in discounting rates	
	10% reduction	10% increase
Effect on net obligation at 31.12.2025		
Provision for site decommissioning risks and charges	92	(88)
Provisions for environmental risks and charges	382	(373)

24) Provisions for employee benefits

Provisions for employee benefits, amounting to 61,824 thousand euro as at 31 December 2025 (42,264 thousand euro as at 31 December 2024) comprise the following:

(€ thousand)	As of 31 December 2024	As of 31 December 2025
Employee severance pay (TFR)	29,687	43,722
Supplementary Healthcare Fund for Executives (FISDE/ASEM)	4,623	5,432
Gas Fund	6,710	10,275
Other provisions for employee benefits	1,244	2,395
	42,264	61,824

Employee severance fund (TFR) (43,722 thousand euro as at 31 December 2025 and 29,687 thousand euro as at 31 December 2024), governed by Article 2120 of the Italian Civil Code, represents the estimated liability determined on the basis of actuarial procedures for the amount to be paid to employees at the time that the employment is terminated. The principal amount of the benefit is equal to the sum of portions of the allocation calculated on compensation items paid during the employment and revalued until the time that such relationship is terminated. Due to the legislative changes introduced from 1 January 2007 for companies with more than 50 employees, a significant part of severance pay to be accrued is classified as a defined-contribution plan since the company's only obligation is to pay the contributions to the pension funds or to INPS.

The FISDE (5,432 thousand euro as at 31 December 2025 and 4,623 thousand euro as at 31 December 2024), to which the ASEM fund was added following the incorporation of 2i Rete Gas into Italgas Reti, includes the estimate of costs, determined on an actuarial basis, relating to contributions to be paid for the benefit of executives in service⁸ and retired executives.

FISDE and ASEM provide financial supplementary healthcare benefits to Enel and Eni⁹ Group executives and retired executives whose most recent contract of employment was as an executive with the Eni Group and the Enel Group. The related funding is provided through the payment of: (i) contributions from member companies; (ii) contributions from individual members for themselves and their immediate family; and (iii) ad hoc contributions for specific benefits. The amount of the liability and the healthcare cost are determined on the basis, as an approximation of the estimated healthcare expenses paid by the fund, of the contributions paid by the company in favour of pensioners.

The Gas Fund (10,275 thousand euro as at 31 December 2025 and 6,710 thousand euro as at 31 December 2024) relates to the estimate, made on an actuarial basis, of the charges sustained by the employer due to the elimination, as at 1 December 2015, of the fund pursuant to Law no. 125 of 6 August 2015. In particular, Articles 9-decies and 9-undecies of the Law stipulate that the employer must cover: (i) an extraordinary contribution to cover expenses related to supplementary pension benefits in place at the time of the elimination of the Gas Fund for the years 2015 to 2020¹⁰; and (ii) a contribution in favour of those registered or in voluntary continuation of the contribution, that as at 30 November 2015 were not entitled to supplementary pension benefits from the eliminated Gas Fund, of 1% for each year of registration in the supplementary fund, multiplied by the social security tax base relating to the same supplementary fund for 2014, to be allocated through the employer or the supplementary pension scheme.

At present, the criteria, procedures and time periods for payment of the extraordinary contribution have not yet been announced. Employee selection of where the amounts would be allocated (supplementary pension scheme or to the employer) were concluded, pursuant to the law, on 14 February 2016.

The other provisions for employee benefits (2,395 thousand euro as at 31 December 2025 and 1,244 thousand euro as at 31 December 2024) relate to seniority bonuses and the long-term incentive plans (LTI).

Long-term incentive plans (IAS 19) envisage, after three years of assignment, the disbursement of a variable monetary benefit linked to a corporate performance parameter, not linked to the share price. Obtaining the benefit depends on the achievement of certain future performance levels and is conditional on the beneficiary remaining with the Company for the three-year period following the allocation (the "vesting period"). This benefit is allocated pro rata over the three-year period depending on the final performance parameters.

⁸ For executives in service, contributions are calculated from the year in which the employee retires and refer to the years of service provided.

⁹ The fund provides the same benefits for Italgas Group executives.

¹⁰ Article 9-quinquiesdecies also stipulates that "... If monitoring shows that the extraordinary contribution pursuant to Article 9-decies is insufficient to cover the relative expenses, a decree issued by the Ministry of Labour and Social Policy, in concert with the Ministry of Economic Development and the Ministry of Economy and Finance, provides for the redetermination of the extraordinary contribution, the criteria for redistribution of the contribution between employers and the time periods and procedures for payment of the extraordinary INPS contribution".

Seniority bonuses are benefits paid upon reaching a minimum service period at the Company and are paid in kind.

Deferred cash incentive plans, long-term cash incentive plans and seniority bonuses are classified as other long-term benefits pursuant to IAS 19.

The composition of and changes in provisions for employee benefits, determined by applying actuarial methods, are as follows¹¹:

(€ thousand)	As of 31 December 2024					As of 31 December 2025				
	Employee severance fund	FISDE	Gas Fund	Other provisions	Total	Employee severance fund	FISDE ASEM	Gas Fund	Other provisions	Total
Current value of the obligation at the start of the year	32,650	5,005	6,943	1,560	46,158	29,687	4,623	6,710	1,244	42,264
Current cost	73	38		280	391	72	39		205	316
Cost for interest	914	159	249	45	1,367	983	194	233	38	1,448
Revaluations / (Impairment):	79	(579)	939	(66)	373	505	576	(15)	1,051	2,117
- Actuarial (Gains) / Losses resulting from changes in the demographic assumptions	130		552		682		(190)	1		(189)
- Actuarial (Gains) / Losses resulting from changes in the financial assumptions	165	(119)	(87)		(41)	(253)	(62)	(45)	163	(197)
- Actuarial (Gains) / Losses from past experience adjustments	(268)	(460)	462	(37)	(303)	758	(509)	(75)	(23)	151
- Other changes	52		12	(29)	35		1,337	104	911	2,352
Paid benefits	(4,079)		(1,429)	(575)	(6,083)	(6,510)		(1,395)	(143)	(8,048)
Effect of transfers	50		8		58	18,985		4,742		23,727
Current value of the obligation at the end of the year	29,687	4,623	6,710	1,244	42,264	43,722	5,432	10,275	2,395	61,824

The main actuarial assumptions used to determine liabilities at the end of the year and to calculate the cost for the following year are indicated in the table below.

	As of 31 December 2024				As of 31 December 2025			
	Employee severance fund	FISDE	Gas Fund	Other provisions	Employee severance fund	FISDE ASEM	Gas Fund	Other provisions
Discount rate (%)	2.67	3.26	2.63	2.83	2.90	4.04	2.75	2.86
Inflation rate (%)	1.60	1.70	N/A	1.80	1.60	2.25	N/A	1.75

(*) With reference to the other provisions, the rate refers only to the seniority bonuses.

The discount rate adopted was determined by considering the yields on corporate bonds issued by Eurozone companies with AA ratings.

The employee benefit plans recognised by Italgas are subject, in particular, to interest rate risk, in the sense that a change in the discount rate could result in a significant change in the liability.

The table below illustrates the effects of a reasonably possible change¹² in the discount rate at the end of the year. The sensitivity of the discount rate represents the change in the value of the actuarial liability obtained using the end-of-year valuation data, changing the discount rate by a certain number of basis points, without any change in the other assumptions.

(€ thousand)	Discount rate			
	reduction		increase	
	%	amount	%	amount
Effect on net obligation at 31.12.2025				
Employment severance pay	2.40	594	3.40	(669)
FISDE/ASEM	3.54	257	4.54	(237)
Gas Fund	2.19	190	3.19	(184)
Other provisions for employee benefits	2.49	68	3.36	(64)
		1,109		(1,154)

¹¹ The table also provides a reconciliation of liabilities recorded for provisions for employee benefits.

¹² With reference to the FISDE, any changes relating to mortality do not have significant effects on the liability.

The maturity profile of the obligations for employee benefit plans is shown in the following table:

(€ thousand)	As of 31 December 2024					As of 31 December 2025				
	Employee severance fund	FISDE	Gas Fund	Other provisions	Total	Employee severance fund	FISDE ASEM	Gas Fund	Other provisions	Total
Within the next year	8,525	306	1,039	163	10,033	14,307	359	2,584	401	17,651
Within five years	14,313	988	4,250	604	20,155	21,177	1,242	5,369	1,994	29,783
Beyond five and up to ten years	6,719	801	1,421	432	9,373	8,238	1,182	2,322		11,742
Beyond ten years	130	2,528		45	2,703		2,649			2,649
	29,687	4,623	6,710	1,244	42,264	43,722	5,432	10,275	2,395	61,824

25) Equity

Equity, which amounts to 5,303,440 thousand euro as at 31 December 2025 (3,035,831 thousand euro as at 31 December 2024) breaks down as follows:

(€ thousand)	As of 31 December 2024	As of 31 December 2025
Equity attributable to Italgas Reti	2,970,900	5,237,440
Share capital	252,263	252,263
Legal reserve	57,427	57,427
Share premium reserve	45,525	45,525
Stock grant reserve	1,235	1,037
OCI Fair value valuation reserve for equity investments	174	174
Reserve unavailable for IFRS application	294,170	294,170
Other reserves	1,967,751	4,047,899
Retained earnings	(54,778)	(21,421)
OCI Reserve for remeasurement of defined-benefit plans for employees	(7,774)	(8,569)
Profit for the year	414,357	568,385
Equity attributable to non-controlling interests	64,931	66,000
	3,035,831	5,303,440

Share capital

The Company's share capital consists of 252,263,314 ordinary shares with a nominal value of 1 euro each, fully paid up and entirely held by Italgas S.p.A., unchanged compared with the previous financial year.

Legal reserve

The legal reserve as at 31 December 2025 stood at 57,427 thousand euro, unchanged compared to 31 December 2024.

Share premium reserve

The Share premium reserve, amounting to 45,525 thousand euro, did not change compared with the corresponding period of the previous year.

Stock grant reserve

The reserve, amounting to 1,037 thousand euro (1,235 thousand euro as at 31 December 2024), includes the valuation pursuant to IFRS 2 of the co-investment plans approved by the Italgas S.p.A. Shareholders' Meeting.

Italgas Shareholders' Meeting held on 20 April 2021 approved the 2021-2023 co-investment Plan and the proposed free share capital increase, in one or more tranches, for the purposes of the aforesaid 2021-2023 co-investment Plan for a maximum nominal amount of 5,580,000.00 euro, by means of the issuance of up to 4,500,000 new ordinary shares to be assigned free of charge, by means of assignment pursuant to Article 2349 of the Italian Civil Code, for a corresponding maximum amount taken from retained earnings reserves,

to the beneficiaries of the Plan only; in other words, only to employees of the Company and/or of the companies in the Group.

In connection with this plan, the Board of Directors attributed, upon the recommendation of the Appointments and Compensation Committee and in keeping with the 2021 Remuneration Policy, rights to receive 254,765 Italgas shares for the 2021-2023 co-investment plan. The unitary fair value per share is 5.55 euro.

On 6 May 2024, the Italgas Shareholders' Meeting approved the 2024-2025 co-investment Plan and the proposed free share capital increase, in one or more tranches, for the purposes of the aforesaid 2024-2025 Co-investment Plan for a maximum nominal amount of 3,720,000 euro, by means of the issuance of up to 3,000,000 new ordinary shares. These shares are to be assigned, in accordance with Article 2349 of the Italian Civil Code, for a corresponding maximum amount taken from retained earning reserves, to the beneficiaries of the Plan only; in other words, only to employees of the Company and/or of the companies in the Group.

OCI Fair value valuation reserve for equity investments

The fair value valuation reserve for 174 thousand euro as at 31 December 2025, unchanged compared to 31 December 2024, includes the change in fair value, net of tax effects, of non-controlling interests which on initial recognition were designated as valued at FVTOCI (fair value recognised through other comprehensive income). For more details, see the note "Non-current financial assets".

Other reserves

Other reserves mainly relate to merger reserves amounting to 2,520,669 thousand euro (+2,130,778 thousand euro compared with 31 December 2024 following the incorporation of 2i Rete Gas into Italgas Reti), revaluation reserves of 565,275 thousand euro and capital contribution reserves of 50,524 thousand euro.

OCI Reserve for remeasurement of defined-benefit plans for employees

The negative reserve for remeasurement of employee benefit plans for 8,569 thousand euro as at 31 December 2025 (negative for 7,774 as at 31 December 2024) included actuarial losses, net of the related tax effect, recognised under other components of comprehensive income pursuant to IAS 19. The changes in the reserve during the course of the year are shown below:

(€ thousand)	Gross reserve	Tax effect	Net reserve
Reserve as of 31 December 2023	(9,825)	2,358	(7,467)
Changes of the year 2024	(431)	124	(307)
Reserve as of 31 December 2024	(10,256)	2,482	(7,774)
Changes of the year 2025	(1,104)	309	(795)
Reserve as of 31 December 2025	(11,360)	2,791	(8,569)

Equity attributable to non-controlling interests

The Equity attributable to non-controlling interests is broken down below:

(€ thousand)	Equity attributable to non-controlling interests as of 31 December 2024	Equity attributable to non-controlling interests as of 31 December 2025	Net income attributable to non-controlling interests as of 31 December 2024	Net income attributable to non-controlling interests as of 31 December 2025
Medea	64,931	63,922	3,326	2,454
Acqua Campania			(53)	
Laboratorio Acqua Campania			20	
Cilento Reti Gas		2,078		438
	64,931	66,000	3,293	2,892

Reconciliation statement of the result for the year and of the shareholders' equity of Italgas Reti S.p.A. with the consolidated ones.

(€ thousand)	Profit 2025	Equity As of 31 December 2025
Financial statements Italgas Reti S.p.A.	568,751	5,232,638
Profit of the companies included in the consolidation	5,823	
Difference between carrying amount of investments consolidated companies and shareholders' equity of the financial statements, including the result		80,683
Adjustments consolidation:		
Dividends net of tax effect	(3,763)	
Income from valuation of equity investments with the equity method and other income from equity investments	(187)	4,031
Other consolidation adjustments net of tax effect	653	(13,912)
Attributable to non-controlling interests	(2,892)	(66,000)
	(366)	4,802
Consolidated financial statements attributable to the Group	568,385	5,237,440

26) Guarantees, commitments and risks

Guarantees, commitments and risks, amounting to 1,517,073 thousand euro as at 31 December 2025 (1,238,342 thousand euro as at 31 December 2024) comprise:

(€ thousand)	As of 31 December 2024	As of 31 December 2025
Bank guarantees given in the interest of Group companies	202,351	312,711
Financial commitments and risks:	1,035,991	1,204,362
Commitments	818,389	991,286
Commitments for the purchase of goods and services	818,389	991,286
Risks	217,602	213,076
- for compensation and litigation	217,602	213,076
	1,238,342	1,517,073

Guarantees

Guarantees of 312,711 thousand euro (202,351 thousand euro as at 31 December 2024) refer mainly to guarantees issued with regard to sureties and other guarantees issued in the favour of the Group.

In addition, it should be noted that as part of the transaction for the acquisition of ERG's share capital and the sale of assets, Medea issued two guarantees of 66 million euro on the loan obtained by ERG in preparation for the transaction.

Commitments

As at 31 December 2025, commitments amounted to 991,286 thousand euro (818,389 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 construction amounted to 991,286 thousand euro.

In addition, the residual commitments made by the Group with the Contracting Authorities for the implementation of investments arising from the awarding of gas distribution service area tenders amount to approximately 1,183 million euro. Furthermore, the Group made commitments with the Municipalities with existing non-expired concessions, including new methane gasifications, and concessions assigned on the basis of Italian Legislative Decree no. 164/2000, known as the "Letta Decree", for over 23.6 million euro.

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

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.

As part of the investment agreement signed on 26 July 2022, and subsequently amended, between Energetica S.p.A. and Medea S.p.A. related to the entry of the latter into the share capital of Energie Rete Gas S.r.l. (“Erg”) for a 49% stake through the contribution and subsequent sale to Erg of assets and activities of Medea relating to gas transmission (“Medea ERG Transaction”), the Parties, *inter alia*, agreed to restore the legal situation prior to the Medea ERG Transaction if ERG does not obtain, (i) recognition, from the competent ministry, among the infrastructure and/or regional transmission services of natural gas of ERG, and (ii) recognition, under the tariff regulatory profile, as regional transport service. In 2023, Medea and ERG signed a service agreement that provides that Medea will pay ERG a fee for the transport service provided by ERG. This agreement was necessary for the management of the transitional period; once ERG obtains the transport authorisation and tariff recognition, the agreement will be terminated.

On 3 November 2025, the Decree of the President of the Council of Ministers entitled “Identification of works and infrastructure necessary for the phase-out of coal use in Sardinia and for the decarbonisation of the island’s industrial sectors” (so-called Sardinia DPCM) was published in the Official Gazette. The measure, which has nationwide effect, confirms the tariff equalisation mechanism in favour of entities carrying out road transport activities for LNG and the related ancillary infrastructure. The Decree also provides that, within 180 days of its entry into force, ARERA shall define the regulatory and tariff framework for the recognition of these activities as regional transport services. In light of the above, ERG may consider the “Transport Authorisation” for the activities carried out in Sardinia to have been obtained. Consistent with this framework, the pool of banks financing the ERG transaction approved an extension to 30 June 2026 of the deadline relating to tariff recognition and also authorised the use of the financing for the acquisition of LNG facilities already completed by that date.

Risks

Risks concerning compensation and litigation (213,076 thousand euro) relate to possible claims for compensation arising from ongoing litigation, with a low probability that the pertinent economic risk will arise.

FINANCIAL RISK MANAGEMENT

Foreword

Italgas has established the Enterprise Risk Management (ERM) unit, which reports directly to the CFO and oversees the integrated process of managing corporate risk for all Group companies. The main objectives of the ERM are to define a homogeneous and transversal risk assessment model, to identify priority risks and to guarantee the consolidation of mitigation actions and the development of a reporting system.

The ERM methodology adopted by the Italgas Group is in line with the reference models and existing international best practices (COSO Framework and ISO 31000).

The ERM unit operates as part of the wider Italgas' Internal Control and Risk Management System.

The main corporate financial risks identified, monitored and, where specified below, managed by Italgas are as follows:

- risk arising from exposure to fluctuations in interest rates;
- credit risk arising from the possibility of counterparty default;
- liquidity risk arising from not having sufficient funds to meet short-term financial commitments;
- rating risk;
- debt covenant and default risk.

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

Information on other risks affecting the business (operational risk and risks specific to the segment in which Italgas operates) can be found in the “Elements of risk and uncertainty” section of the Directors’ Report.

Interest rate risk

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

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

At full performance, Italgas aims to maintain a debt ratio between a fixed rate and floating rate to minimise the risk of rising interest rates. As at 31 December 2025 the financial debt at floating rate was 23.1% and at fixed rate was 76.9%. Please refer to the paragraph “Short-term and long-term 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 market is the Italian market.

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

As at 31 December 2025 there were no significant credit risks. It should be noted, however, that on average 97.4% of trade receivables are settled at maturity and more than 99.6% within the following four days, confirming the primary reliability of business customers.

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

Please refer to note “Trade and other receivables” for the breakdown of receivable by due date bracket.

Liquidity risk

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

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 Group holds cash deposits with leading credit institutions amounting to 10.9 million euro as at 31 December 2025; (ii) the Group is entirely financed through loans from the parent company Italgas S.p.A., which carries out treasury activities on behalf of the Group companies under an agreement pursuant to which it covers the Company’s funding requirements and manages its cash balances.

Italgas Reti 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.

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, including interest payments, trade and other payables:

(€ thousand)	Balance as at		Due date					
	31.12.2024	31.12.2025	2026	2027	2028	2029	2030	Beyond
Financial liabilities								
Financial liabilities due to the parent company	4,063,915	4,632,670	121,403	494,386	1,653,006	788,746		1,599,880
Bonds		2,210,572	455,925	719,958				1,034,689
Bank loans	481	315,764	243,441	18,182	18,182	18,182	17,777	
Current liabilities	31	24,926						
Interest on notes			46,356	38,743	26,990	26,990	26,990	75,170
Interest on bank loans			309,600	83,135	66,727	50,864	39,256	53,256
Financial debt pursuant to IFRS 16	35,334	70,105	17,325	12,493	10,786	9,679	6,778	13,044
Interest of financial debt (IFRS 16)			1,121	980	662	373	140	122
Trade and other payables	789,474	1,264,693						
	4,889,235	8,518,730	1,195,171	1,367,877	1,776,353	894,834	90,941	2,776,161

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 76,9% of the Group's financial debt is at fixed rate.

Rating risk

Among the factors that define the risk perceived by the market, creditworthiness, assigned to Italgas by rating agencies, plays a decisive role since it influences the ability to access sources of financing and the related economic conditions. A worsening of this creditworthiness could, therefore, limit access to the capital market and/or increase the cost of financing sources, with consequent negative effects on the Group's financial position and performance.

On 1 July 2025, the rating agency S&P assigned a long-term credit rating of "BBB+", Stable Outlook, to both Italgas and Italgas Reti.

On 4 July 2025, the rating agency Moody's confirmed the long-term credit rating of Italgas as "Baa2", with Stable outlook.

On 16 December 2025 Fitch confirmed the long-term rating of Italgas S.p.A as BBB+, with Stable outlook.

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

Debt covenant and default risk

As at 31 December 2025, there are no loan contracts in place containing financial covenants and/or backed by real guarantees. Some of these contracts provide, inter alia, for the following: (i) negative pledge undertakings, pursuant to which Italgas and the subsidiaries are subject to limitations regarding the creation of real rights of guarantee or other restrictions concerning all or part of the respective assets, shares or goods; (ii) pari passu and change of control clauses; (iii) limitations on some extraordinary transactions that the company and its subsidiaries may carry out. As at 31 December 2025, these commitments were respected.

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

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

Market value of financial instruments

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

- 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, the classification of assets and liabilities measured at fair value in the statement of financial position according to the fair value hierarchy concerned IRS and foreign exchange derivative instruments, classified at Level 2 and recognised under the headings “Other current and non-current financial assets” and “Other current and non-current financial liabilities”.

Equity investments measured at fair value with effects posted to the income statement fall under fair value category level 3.

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 at 31.12.2024	Balance as at 31.12.2025	Balance as at 31.12.2024	Balance as at 31.12.2025	Balance as at 31.12.2024	Balance as at 31.12.2025
Financial instruments measured at amortised cost						
- Cash	6,494	12,572				
- Current financial assets	458,034	396,033				
- Trade receivables and other receivables	640,653	1,078,578				
- Non-current financial assets	306,060	312,414				
- Other current and non-current non-financial assets	150,675	214,110				
- Trade and other payables	789,474	1,264,688				
- Financial debt (b)	4,099,750	7,254,037	(61,622)	(132,998)		
- Other current and non-current non-financial liabilities	438,584	1,118,495				
Financial instruments measured at fair value						
- Other investments	6,423	8,642				
- Financial assets (liabilities) for hedge derivative contracts	1,612	1,292			294	(321)

(a) Net of tax effect

The carrying amount of trade receivables, other receivables and financial debt is close to the related fair value measurement, given the short period of time between when the receivable or the financial payable arises and its due date.

Disputes and other measures

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

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

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

The Municipality of Rome, 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 Supreme Court 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 Supreme Court 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 were combined, was set for 11 July 2023. Following the hearing, the judge ordered an Expert's Report (CTU) which was carried out in the course of 2024. At the hearing of 11 December 2024, the Judge, having taken note of the findings of the CTU, invited the parties to reach a settlement of the dispute, adjourning the hearing for the definition of a settlement agreement or, failing that, the clarification of the conclusions – first to 1 July 2025 and finally to 3 December 2025 for the same matters. The judge submitted the case for decision, without affecting the possibility of a settlement between the parties.

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). As at the date of this document, the expert appraisal operations have been completed. The hearing for the examination of the CTU was held on 10 July 2025 and was adjourned until 26 June 2026 for clarification of the conclusions.

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

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

Following the judgement of the Council of State on the acquisition, free of charge, of the assets included in Block A, the Municipality of Cavallino-Treporti brought a civil proceeding before the Court of Venice in order to 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 has therefore filed an appeal with the Supreme Court against the judgement of the Venice Court of Appeal. Italgas Reti has appeared in the proceedings and, at present, the decision of the Supreme Court is 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.

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/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 merged 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 requested the dismissal of the proceedings against all the individuals under investigation at Italgas Reti, while issuing a notice of conclusion of the preliminary investigation against two natural persons of Siciliana Gas S.p.A. (one of whom was not employed by Italgas Reti at the time of the merger by incorporation of Siciliana Gas and is now deceased) and against the company that installed the pipeline.

Following this event, two parallel criminal proceedings were initiated.

The first proceeding, concerning ten employees of Italgas Reti (later reduced to nine following the death of one employee), concluded with an order of dismissal on 16 December 2025.

The second proceeding is still pending and concerns Italgas Reti S.p.A. in its capacity as civilly liable party. This case, now involving only one defendant, is ongoing, and the hearing for the examination of witnesses, originally scheduled for 12 February 2026, was postponed to 12 March 2026 due to the replacement of the judge.

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.

Tax litigation

Indirect taxes

The risk provision for tax litigation relates to prior provisions recognised in connection with proceedings concerning assessments served on the former Napoletanagas S.p.A., now incorporated, for the waste disposal tax in the Municipality of Caserta and for regularisations of violations related to invoicing.

Direct taxes

In accordance with IFRIC 23 “Uncertainty over Income Tax Treatments,” there are no grounds for recognising a provision for risks in respect of income taxes.

Informative priorities ESMA 2025

For the purposes of preparing the 2025 Financial Report, Italgas Reti takes into account the recommendations of the European Securities and Markets Authority (ESMA), which draw attention to the main areas of focus in the current environment, characterised by a combination of factors linked to geopolitical tensions that continue to weigh on global prospects, developments in monetary policy, the intensification of protectionist policies and their effects on supply chains, impacts on the economic climate and uncertainties regarding future developments.

In this regard, ESMA’s main recommendations concern the need to provide clear, detailed and entity-specific disclosures enabling an understanding of how geopolitical uncertainties affect the financial position and financial performance, the assumptions used in valuation models, estimates and sensitivity analyses, as well as any other information considered necessary to understand the effects (or absence of effects) of geopolitical uncertainties on the Company’s key metrics.

In addition, in its Public Statement, ESMA sets out specific recommendations, including references to previously issued guidance, such as:

- consistency between financial statement disclosures on climate-related matters and sustainability reporting;
- the need to analyse, already in the 2025 financial statements, the impacts of the updates to:
 - IFRS 9 and IFRS 7 (although effective from 1 January 2026), relating to electricity supply contracts dependent on natural sources such as wind or solar energy;

- IFRS 18, with respect to financial statements, information systems and communications;
- attention to alternative performance measures (APMs), which in terms of definitions and calculations must be consistent over time and updated with caution where geopolitical impacts are intended to be reflected.

Lastly, ESMA places particular focus on Segment Information as required by IFRS 8, enabling users of the financial statements to assess the characteristics and financial performance of the operating business segments.

In particular, ESMA emphasises the need for clear and comprehensive disclosure regarding the criteria used to identify the segments, any significant changes in the segments, the completeness of the revenues and costs allocated to them, and the factors affecting impairment testing.

Italgas Reti has considered these issues for the purposes of preparing its annual financial report as at 31 December 2025.

Climate-related risks and impairment

The Group, through the ERM, monitors risks related to climate change issues, which are categorised as physical risks due to weather and climate variations, and transition risks related to the socio-economic response of society 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.

Transition risks, on the other hand, consist of: (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.

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 I

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.

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 legislation in question applies to Italgas S.p.A. and its “minority investees” (i.e., other “entities” consolidated line by line by CDP in which Italgas holds a “controlling interest”) that qualify as a “minority subgroup” (see Article 38, paragraph 1, letter c, of the Decree), attributable to the CDP Group. The latter has as its “ultimate parent company,” Cassa Depositi e Prestiti S.p.A. (CDP), which qualifies as the Ultimate Parent Entity (UPE), as it consolidates various “entities” on a “line-by-line basis” (including CDP Reti and

Italgas, as well as other entities in which Italgas holds interests) and is not, in turn, consolidated on a “line-by-line basis” by another “entity”.

On the basis of the information collected and processed in accordance with the applicable regulatory provisions, a reasonable estimate was made of the Italgas Group’s exposure to income taxes as at 31 December 2025.

Based on the estimate performed, no liabilities for top-up taxation appear to arise.

Public funds received in Italy

With reference to the new rules introduced by Law no. 124 of 4 August 2017 “Annual competition law”, under Article 1, paragraphs 125-129, please note that the following grants from public authorities relating to the construction of gas networks in Italy were collected in 2024.

Beneficiary	Grantor			Type of transaction	Amount €
	Company name	Tax code	VAT Number		
ITALGAS RETI S.P.A.	MINISTERO DELL'ISTRUZIONE E DEL MERITO	80185250588	80185250588	NIMBUS project	2,995,924
ITALGAS RETI S.P.A.	AUTORITÀ DI REGOLAZIONE PER ENERGIA RETI E AMBIENTE	97190020152	97190020152	P2G Sestu	156,825
ITALGAS RETI S.P.A.	PROCIDA	634830632	634830632	Plant account grants - Reg. Law no. 25 of 3 APRIL 1995 and - REGIONAL LAW NO. 84 of 27.12.2001	2,338,532
CILENTO RETI GAS S.r.l.	CAMEROTA	84001750656	01534590656	Plant account grants - Reg. Law no. 25 of 3 APRIL 1995 and - REGIONAL LAW NO. 84 of 27.12.2001	351,148
CILENTO RETI GAS S.r.l.	CASALETTO SPARTANO	84001470651	00775920655	Plant account grants - Reg. Law no. 25 of 3 APRIL 1995 and - REGIONAL LAW NO. 84 of 27.12.2001	278,788
CILENTO RETI GAS S.r.l.	CASELLE IN PITTARI	84001470651	00775940653	Plant account grants - Reg. Law no. 25 of 3 APRIL 1995 and - REGIONAL LAW NO. 84 of 27.12.2001	41,681
CILENTO RETI GAS S.r.l.	MORIGERATI	84001730658	03548800659	Plant account grants - Reg. Law no. 25 of 3 APRIL 1995 and - REGIONAL LAW NO. 84 of 27.12.2001	11,720
CILENTO RETI GAS S.r.l.	ROCCAGLORIOSA	84001770654	0891180655	Plant account grants - Reg. Law no. 25 of 3 APRIL 1995 and - REGIONAL LAW NO. 84 of 27.12.2001	121,382
CILENTO RETI GAS S.r.l.	SAN GIOVANNI A PIRO	84001430655	02745400651	Plant account grants - Reg. Law no. 25 of 3 APRIL 1995 and - REGIONAL LAW NO. 84 of 27.12.2001	859,984
CILENTO RETI GAS S.r.l.	TORTORELLA	84001490659	02441730658	Plant account grants - Reg. Law no. 25 of 3 APRIL 1995 and - REGIONAL LAW NO. 84 of 27.12.2001	10,157
MEDEA S.P.A.	ORUNE	00161070917	00161070917	Plant account grants - Reg. Law no. 25 of 3 APRIL 1995 and - REGIONAL LAW NO. 84 of 27.12.2001	1,136,363
MEDEA S.P.A.	SANT'ANNA ARRESI	81001910926	01351570922	Plant account grants - Reg. Law no. 25 of 3 APRIL 1995 and - REGIONAL LAW NO. 84 of 27.12.2001	1.457.527
					9,760,031

27) Revenues and other income

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

(€ thousand)	For the year ended 31 December 2024	For the year ended 31 December 2025
Revenues	1,904,917	2,496,508
Other income	49,228	69,925
	1,954,145	2,566,433

Group revenues are generated in Italy.

Revenues from related parties are described in Note 36 "Related party transactions".

Revenues

Revenues, which amount to 2,496,508 thousand euro (1,919,237 thousand euro as at 31 December 2024), are analysed in the table below:

(€ thousand)	For the year ended 31 December 2024	For the year ended 31 December 2025
Gas distribution	1,214,123	1,676,714
Revenues for infrastructure construction and improvements (IFRIC 12)	578,258	728,245
Release of connection contributions relating to the year	14,320	26,975
Technical assistance, engineering, IT and various services	60,823	62,338
Water service	49,509	
Sale of other products	2,204	2,236
	1,919,237	2,496,508

Revenues mainly relate to consideration for the natural gas transportation service and to other regulated gas revenues (1,676,714 thousand euro as at 31 December 2025 and 1,214,123 thousand euro as at 31 December 2024), as well as to revenues arising from the construction and enhancement of gas and water distribution infrastructure for the 2024 financial year and gas distribution infrastructure for the 2025 financial year, in connection with concession arrangements in accordance with IFRIC 12 (728,245 thousand euro as at 31 December 2025 and 578,258 thousand euro as at 31 December 2024).

Gas distribution revenues in Italy are reported net of the following items, involving tariff components in addition to the tariff applied to cover gas system expenses of a general nature. The amounts in question are paid, where positive, or charged, where negative, for an equal amount, to the CSEA.

The additional fees of the distribution service (413,409 thousand euro as at 31 December 2025 and 112,316 thousand euro as at 31 December 2024) mainly relate to the following components: (i) RE, to cover the expenses burdening the Fund for calculating and implementing energy savings and the development of renewable energy sources in the gas sector; (ii) RS, to cover expenses burdening the Account for gas services quality; (iii) UG1, to cover any imbalances in and adjustments to the equalisation system; (iv) UG2, to cover the costs of retail sales marketing; (v) UG3int, to cover expenses connected to the interruption of services; (vi) UG3ui, to cover expenses connected to any imbalances in specific equalisation mechanism balances for the Default Distribution Service Provider (FDD) as well as the expenses for payment delays incurred by Suppliers of Last Instance (FUI), limited to end customers for which the supply cannot be suspended; (vii) UG3ft, to cover the arrears paid to temporary providers on the transport system; (viii) GS, to cover the tariff compensation system for economically disadvantaged customers.

Gas distribution revenues increased by 462,591 thousand euro compared with 31 December 2024, reflecting the benefits of the new scope resulting from the incorporation of 2i Rete Gas. The item increased as a result of the growth in RAB, mainly due to investments made during the period and the effect of the deflator, as well as the impact in 2025 of higher operating costs recognised for tariff purposes under Resolution no. 87/2025/R/gas.

This revenue refers to natural gas distribution on behalf of all commercial operators requesting access to the networks of the distribution companies and include the effects arising from (i) the implementation of Resolution no. 737/2022/R/gas in terms of recognition of the residual value of smart meters of a class not exceeding G6 produced up to the year 2016 and commissioned by the year 2018, (ii) the higher revenues associated with the contribution pursuant to Article 57 of ARERA Resolution no. 570/2019/R/gas relating to the replacement of traditional meters with electronic smart meters and the recovery of non-depreciation (so-called IRMA) pursuant to Consultation Document DCO 545/2020/R/gas, Determination no. 1/2023, Resolution no. 570/2019/R/gas, Resolution no. 287/2021 and Determination no. 3/2021, (iii) increased revenues associated with the redetermination of the capital revaluation rate established by ARERA for 2024 (from 5.3% to 6.2%) with Resolution no. 130/2025.

Revenues from water service for 49,509 thousand euro as at 31 December 2024 relate to water collection, supply, transport, distribution and sale in Campania. The Group discontinued this activity following the sale (1 November 2024) of the Acqua Campania company to Nepta S.p.A..

Other income

Other income, which amounted to 69,925 thousand euro as at 31 December 2025 (34,908 thousand euro as at 31 December 2024), can be broken down as follows:

(€ thousand)	For the year ended 31 December 2024	For the year ended 31 December 2025
Income from gas distribution service safety recovery incentives	126	31,650
Plant safety assessment pursuant to ARERA Resolution no. 40/04	1,357	1,395
Other income from regulated activities	7,791	9,060
Capital gains from sale of assets	1,836	736
Sundry management refunds and chargebacks	1,186	1,287
Contractual penalties receivable	385	1,626
Income from real estate investments	111	142
Revenues from seconded personnel	1,347	8,753
Sundry other	20,769	15,275
	34,908	69,925

Income from regulatory incentives relating to safety in the gas distribution service, amounting to 31,650 thousand euro, relates to reimbursements recognised by the Authority in connection with the achievement of qualitative and technical standards for the natural gas distribution service. The increase is attributable, on the one hand, to the cessation of the effects of Resolution no. 490/2024/R/gas, which in 2024 had resulted in the cancellation of the bonuses relating to the safety of the gas distribution service for the year 2020, with the consequent non-recognition of income of approximately 23.0 million euro, and, on the other hand, to the new scope resulting from the acquisition of 2i Rete Gas.

28) Costs and other expenses

The breakdown of costs and other expenses, amounting to 1,202,813 thousand euro as at 31 December 2025 (949,613 thousand euro as at 31 December 2024), is shown in the following table:

(€ thousand)	For the year ended 31 December 2024	For the year ended 31 December 2025
Costs for raw materials, consumables, supplies and goods	112,520	117,702
Costs for services	530,656	670,346
Lease expenses	93,049	126,075
Personnel costs	167,437	231,700
Impairment of trade receivables net	(799)	978
Other expenses	47,376	57,414
<i>To be deducted:</i>		
Increases for own work	(626)	(1,402)
- of which costs for services	(281)	(562)
- of which labour costs	(345)	(840)
	949,613	1,202,813

Costs for raw materials, consumables, supplies and goods, amounting to 117,702 thousand euro (122,520 as at 31 December 2024), comprise the following:

(€ thousand)	For the year ended 31 December 2024	For the year ended 31 December 2025
Inventories	105,441	107,107
Purchase of gas	3,470	4,705
Purchase of fuel	3,034	4,712
Consumables	575	1,178
	112,520	117,702

Inventories refer in particular to the acquisition of meters and gas pipes.

Purchase costs for raw materials, consumables, supplies and goods include costs relating to the construction and upgrading of gas distribution and water service infrastructure amounting to 100,498 thousand euro (97,020 thousand euro as at 31 December 2024), recorded in accordance with IFRIC 12.

Costs for services of 669,680 thousand euro (530,375 thousand euro as at 31 December 2024) relate to:

(€ thousand)	For the year ended 31 December 2024	For the year ended 31 December 2025
Project management and plant maintenance	321,168	412,857
General services	130,845	188,807
Consultancy and professional services	15,438	23,550
Costs for personnel services	10,132	10,887
IT and telecommunications services	665	625
Electricity, water and other (utility) services	20,486	5,230
Insurance	4,368	5,267
Cleaning, security service and guard services	3,375	3,860
Advertising and entertainment	484	649
Costs for seconded personnel	1,562	1,479
Works performed on behalf of the Campania Region	10,872	
Other services	26,787	26,623
Use of risk provision	(15,526)	(9,488)
	530,656	670,346
<i>To be deducted:</i>		
Increases for own work	(281)	(562)
	530,375	669,784

Costs for services include costs relating to the construction and upgrading of gas distribution infrastructure amounting to 486,000 thousand euro (371,028 thousand euro as at 31 December 2024) recognised pursuant to IFRIC 12.

Costs for project management and plant maintenance planning (412,857 thousand euro as at 31 December 2025 and 321,168 thousand euro as at 31 December 2024) essentially relate to the extension and maintenance of gas distribution plants.

Lease expenses, of 126,075 thousand euro (93,049 thousand euro as at 31 December 2024), regard:

(€ thousand)	For the year ended 31 December 2024	For the year ended 31 December 2025
Patent, license and concession fees	77,960	115,161
Leases and rentals	15,089	12,944
Use of risk and charges provision		(2,030)
	93,049	126,075

Fees, patents and licences (115,161 thousand euro as at 31 December 2025 and 77,960 thousand euro as at 31 December 2024) refer primarily to fees recognised to contracting parties for the running of natural gas distribution activities under concession.

Lease expenses include costs relating to the construction and upgrading of gas distribution infrastructure amounting to 12,184 thousand euro (14,641 thousand euro as at 31 December 2024) recognised in accordance with IFRIC 12.

Personnel costs, totalling 230,860 thousand euro (167,092 thousand euro as at 31 December 2024), breaks down as follows:

(€ thousand)	For the year ended 31 December 2024	For the year ended 31 December 2025
Wages and salaries	120,871	163,606
Social charges	37,333	50,622
Employee benefits	7,896	12,499
Other expenses	1,337	4,973
	167,437	231,700
<i>To be deducted:</i>		
Increases for own work	(345)	(840)
	167,092	230,860

The item includes costs relating to the construction and upgrading of gas distribution infrastructure amounting to 128,179 thousand euro (94,515 thousand euro as at 31 December 2024) recognised pursuant to IFRIC 12.

Employee benefits (12,499 thousand euro as at 31 December 2025 and 7,896 thousand euro as at 31 December 2024) mainly regard the employee severance pay accrued, to be paid to pension funds or to INPS.

Other expenses of 4,973 thousand euro (1,337 thousand euro as at 31 December 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.

More details are provided in the “Provisions for employee benefits” note.

Average number of employees

The average number of payroll employees of the consolidated entities, broken down by status, is as follows:

Professional qualification	For the year ended 31 December 2024	For the year ended 31 December 2025
Executives	17	29
Middle Managers	144	194
Employees	1,453	2,065
Manual workers	985	1,262
	2,599	3,550

The average number of employees is calculated on the basis of the monthly number of employees for each category.

There were 3,434 employees on average (2,586 as at 31 December 2024).

Remuneration due to key management personnel

The remuneration due to persons with powers and responsibilities for the planning, management and control of the Company, i.e. executive and non-executive directors, general managers and executives with strategic responsibilities (“key management personnel”), in office at 31 December 2025, amounted to 1,127 thousand euro and breaks down as follows:

(€ thousand)	For the year ended 31 December 2024	For the year ended 31 December 2025
Wages and salaries	662	947
Post-employment benefits	58	71
Other long-term benefits	101	109
	821	1,127

Remuneration due to Directors and Statutory Auditors

Remuneration due to Directors amounted to 150 thousand euro and remuneration due to Statutory Auditors amounted to 153 thousand euro (Article 2427, no. 16 of the Italian Civil Code). This remuneration includes emoluments and any other amounts relating to pay, pensions and healthcare due for the performance of duties as a director or statutory auditor giving rise to a cost for the Company, even if not subject to personal income taxes.

Other expenses, 57,414 thousand euro (47,376 thousand euro as at 31 December 2024), are analysed below:

(€ thousand)	For the year ended 31 December 2024	For the year ended 31 December 2025
Other penalties	4,911	16,985
Indirect taxes, local taxes	4,571	5,460
Allocations to/releases from provision for risks and charges	528	(3,644)
Capital losses from disposal/recovery of property, plant and equipment and intangible assets	32,609	33,936
Other expenses	4,757	4,677
	47,376	57,414

Other penalties, amounting to 16,985 thousand euro (4,911 thousand euro as at 31 December 2024), mainly relate to the gas distribution sector and include costs associated with penalties for the difference between gas injected and gas withdrawn at the city gate pursuant to ARERA Resolution no. 386/2022/R/gas for the periods 2020-2022, 2021-2023 and 2022-2024, amounting to 8,152 thousand euro.

Net releases to provisions for risks and charges amount to 3,644 thousand euro (net provisions of 528 thousand euro as at 31 December 2024). For more details on the changes during the financial year, please refer to the note "Provisions for risks and charges".

The capital losses from the disposal/recovery of fixed assets (33,936 thousand euro as at 31 December 2025 and 32,609 thousand euro as at 31 December 2024) mainly relate to the replacement of meters, as well as pipes and connections.

Operating costs relating to the construction and upgrading of gas distribution and water service infrastructure connected with concession agreements pursuant to what is set forth in IFRIC 12, amount to 728,245 thousand euro (578,258 thousand euro as at 31 December 2024) and are broken down as follows:

(€ thousand)	For the year ended 31 December 2024	For the year ended 31 December 2025
Costs for raw materials, consumables, supplies and goods	97,020	100,498
Costs for services	371,028	486,000
Lease expenses	14,641	12,184
Personnel costs	94,515	128,179
Other expenses	1,054	1,384
	578,258	728,245

29) Amortisation, depreciation and impairment of assets

Amortisation, depreciation and impairment of assets, totalling 436,841 thousand euro (391,465 thousand euro as at 31 December 2024), breaks down as follows:

(€ thousand)	For the year ended 31 December 2024	For the year ended 31 December 2025
Amortisation and depreciation	402,508	456,353
- Property, plant and equipment	13,614	12,375
- Right of use pursuant to IFRS 16	20,678	28,774
- Intangible assets	368,216	415,204
Impairment	(11,043)	(19,512)
- Use of provision	(11,043)	(19,512)
	391,465	436,841

Net impairment of asset, amounting to a net use of -19,512 thousand euro (a net impairment of -11,043 thousand euro in 2024) refers to the use of provision for impairment of assets related to faulty gas smart meters.

30) Net financial expense

Net financial expense, amounting to 134,035 thousand euro (67,352 thousand euro as at 31 December 2024), comprises:

(€ thousand)	For the year ended 31 December 2024	For the year ended 31 December 2025
Net financial expense	(61,622)	(132,998)
Financial expense	(68,753)	(138,548)
Financial income	7,131	5,550
Other net financial expense	(6,024)	(716)
Other financial expenses	(6,976)	(4,370)
Other financial income	952	3,654
Gain/(loss) on derivatives measured at fair value	294	(321)
	(67,352)	(134,035)

Below is the breakdown of financial charges, financial income and other financial income and charges:

(€ thousand)	For the year ended 31 December 2024	For the year ended 31 December 2025
Net financial expense	(61,622)	(132,998)
Borrowing costs:	(68,753)	(138,548)
- Interest expense on bonds		(26,255)
- Commission expense on bank loans and credit lines	(2,470)	(7,965)
- Interest expense on credit line and loan expense due to banks and other lenders	(66,283)	(104,328)
Financial expense capitalised		
Income on financial receivables:	7,131	5,550
- Interest income and other income on financial receivables non-held for operations	7,131	5,550
Total net financial expense:	(6,024)	(716)
- Capitalised financial expense	1,293	69
- Financial income (expense) connected with the passing of time (accretion discount) (*)	(2,136)	(2,555)
- Expense for right of use pursuant to IFRS 16	(314)	(1,121)
- Other expenses	(5,819)	(763)
- Other income	952	3,654
Gain/(loss) on derivatives measured at fair value	294	(321)
	(67,352)	(134,035)

(*) The item relates to the increase in the provisions for risks and charges and provisions for employee benefits that are specified, at a discounted value, in the notes "Provisions for risks and charges" and "Provisions for employee benefits".

31) Net income from equity investments

Net income from equity investments, totalling 2,037 thousand euro (996 thousand euro as at 31 December 2024), breaks down as follows:

(€ thousand)	For the year ended 31 December 2024	For the year ended 31 December 2025
Share of the profit of investments in associates/joint ventures	(268)	(150)
Income (expenses) from the share of the result of investments in associates and joint ventures	(268)	(150)
Other income from equity investments	1,264	2,187
Other income from equity investments	1,264	2,187
	996	2,037

Details of capital gains and capital losses accounted for using the equity method can be found in the note "Investments accounted for using the equity method".

Other income from investments relates to the contribution arising from the equity interest held in Reti Distribuzione Gas.

32) Income taxes

Income taxes for the year, amounting to 223,504 thousand euro (129,061 thousand euro as at 31 December 2024) comprise:

	For the year ended 31 December 2024		
(€ thousand)	IRES	IRAP	Total
Current taxes	112,876	24,554	137,430
Current taxes for the year	138,363	28,461	166,824
Patent box	(18,331)	(3,639)	(21,970)
Adjustments for current taxes pertaining to previous years	(7,156)	(268)	(7,424)
Deferred and prepaid taxes	(9,146)	777	(8,369)
Deferred taxes	(10,469)	(710)	(11,179)
Prepaid taxes	(1,323)	(1,487)	(2,810)
	103,730	25,331	129,061

	For the year ended 2025		
(€ thousand)	IRES	IRAP	Total
Current taxes	210,933	43,499	254,432
Current taxes for the year	204,188	42,973	247,161
Adjustments for current taxes pertaining to previous years	6,745	526	7,271
Deferred and prepaid taxes	(31,568)	639	(30,929)
Deferred taxes	(26,125)	(2,577)	(28,702)
Prepaid taxes	5,443	(3,216)	2,227
	179,365	44,138	223,503

Income taxes include current taxes of 254,432 thousand euro (137,430 thousand euro as at 31 December 2024) and net deferred taxes of 30,929 thousand euro (8,369 as at 31 December 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 reconciliation of the theoretical tax charge, calculated by applying the corporation tax (IRES) rate in force in Italy of 24%, with the actual tax charge for the year can be broken down as follows:

(€ thousand)	For the year ended 31 December 2024		For the year ended 31 December 2025	
	Tax rate	Balance	Tax rate	Balance
IRES				
Profit before taxes		546,711		794,781
IRES tax calculated based on the theoretical tax rate	24.00%	131,211	24.00%	190,747
Tax effect on:				
- Income from equity investments	(0.1)%	(357)		
- Taxes on dividends			0.0%	45
- Adjustments relating to prior years	(3.5)%	(18,976)	0.1%	470
- Super Iper amortisation			(1.3)%	(10,244)
- Other permanent differences	(1.5)%	(8,148)	(0.2)%	(1,654)
IRES taxes for the year through profit or loss	19.0%	103,730	22.6%	179,365

(€ thousand)	For the year ended 31 December 2024		For the year ended 31 December 2025	
	Tax rate	Balance	Tax rate	Balance
IRAP				
Operating result for IRAP		613,067		926,779
IRAP tax calculated based on the theoretical tax rate	4.2%	25,749	4.2%	38,925
Tax effect on:				
- Taxes for previous years				180
- Regional IRAP adjustments				5,060
- Other permanent differences	(0.1)%	(418)		(26)
IRAP taxes for the year through profit or loss	4.1%	25,331	5.6%	44,139

An analysis of deferred and prepaid taxes grouped based on the nature of the significant temporary differences that generated them can be found in the note "Deferred tax liabilities".

Taxes related to components of comprehensive income

Current and deferred taxes related to other components of comprehensive income can be broken down as follows:

(€ thousand)	For the year ended 31 December 2024			For the year ended 31 December 2025		
	Gross value	Tax impact	Net tax value	Gross value	Tax impact	Net tax value
Remeasurement of defined-benefit plans for employees	(438)	124	(314)	(1,104)	309	(795)
Other components of comprehensive income	(438)	124	(314)	(1,104)	309	(795)
Deferred/prepaid taxes		124			309	

33) Earnings per share

The earnings per basic share, equal to 2.25 euro (1.64 euro as at 31 December 2024), was calculated by dividing the net profit attributable to Italgas equal to 568,385 thousand euro (414,357 thousand euro as at 31 December 2024) by the weighted average number of Italgas shares during the year equal to 252,263,314 shares, unchanged compared to 31 December 2024.

The diluted earnings per share is calculated by dividing the net profit attributable to Italgas, equal to 568,385 thousand euro by the weighted average number of shares during the period, 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 2.25 euro per share (1.64 euro per share as at 31 December 2024).

34) Information by operating segment and geographical area

With reference to the information required by the IFRS Accounting Standards, it is confirmed that revenues and operating costs, investments, assets and liabilities relate exclusively to the gas distribution and metering sector and are generated in Italy.

35) Related party transactions

Under paragraph 9 of IAS 24, and in light of the current ownership structure of the parent company Italgas, related parties include, in addition to directors, statutory auditors, key management personnel and the Group's associates and joint ventures, companies controlled directly or indirectly by CDP, including the shareholder Snam, as well as the Ministry of Economy and Finance (MEF).

Following the entry into force of Article 13, paragraph 1-bis, of Decree-Law no. 95/2025, as converted into Law no. 118/2025, and Article 1, paragraph 268, of the 2026 Budget Law, the Company amended its internal procedures in order to exclude a related-party relationship, for the purposes of the regulation of transactions with related parties pursuant to Article 2391-bis of the Italian Civil Code. The recent legislation that came into force has in fact established that there are no correlation relationships for the purposes of Article 2391-bis of the Italian Civil Code between public administrations that do not exercise management and coordination powers and the companies in which the latter participate, even indirectly.

The following disclosures are provided pursuant to IAS 24. Transactions with related parties entered into by the Italgas Reti Group concern the exchange of goods and the provision of services.

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

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

The Company is subject to direction and coordination activities pursuant to Article 2497 *et seq.* of the Italian Civil Code by its parent company Italgas S.p.A.

With reference in particular to the balances exposed towards the Eni Group, Enel Group, and Poste Italiane Group the underlying relations refer to the natural gas distribution service business, according to the terms of

the Network Code, defined by the Italian Regulatory Authority for Energy, Networks and Environment (Autorità di Regolazione per Energia Reti e Ambiente, ARERA). The Network Code regulates the non-discriminatory conditions, including tariffs, applicable to all distribution users.

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.

Commercial and other transactions

Commercial and other transactions are analysed below:

(€ thousand)	As of 31 December 2024			For the year ended 31 December 2024			
	Receivables	Payables	Assets	Costs (a)		Revenues (b)	
				Services	Other	Services	Other
Parent company							
- Italgas	5,758	131,084		71,536	33	901	742
	5,758	131,084		71,536	33	901	742
Other group companies							
- Toscana Energia	645	184	133	265		1,765	82
- Geoside	132	1,339		1,151	133	271	48
- Nepta	276	11		329		2,345	390
- ITG Newco		11		20			
- Bludigit	2,221	1,084	(366)	70,086		575	3,785
- Enaon	635					450	31
- Idrosicilia	4						4
- Acqualatina	35			7	1		34
- Siciliacque	24	11		(1)			23
- Metano Sant'Angelo Lodigiano	232			(2)		110	87
- Umbria Distribuzione Gas	1,929			(31)		399	82
	6,133	2,640	-233	71,824	134	5,915	4,566
Companies under joint control and associates							
- Energie Rete gas	1,533	10,835	92	7,875	1,579	1,363	164
	1,533	10,835	92	7,875	1,579	1,363	164
Other related parties							
- Eni Group	156,057	38,998	2,906	509	1,585	508,109	3,504
- Snam Group	413	370		155	167	240	111
- Enel Group	41,335	10,323	(2)	(1)	1,113	142,533	2,697
- Cassa Depositi e Prestiti Group					200		
- Anas Group	341	1,218	12	6	463		699
- Ferrovie dello Stato Group	397	51		33	605	7	176
- Leonardo Group	28	115		186		1	
- GSE Gestore Servizi Group	(30)	(1,651)			80,438		
- Rai Group					1		
- Poste italiane Group	3	115		106			
- Saipem Group		27					
- Eur Group		4				2	
- Valvitalia Group		488	1,948	16			
- Trevi		89		278			
	198,544	50,147	4,864	1,288	84,574	650,890	7,187
Total	211,968	194,706	4,723	152,523	86,320	659,069	12,659

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

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

(€ thousand)	As of 31 December 2025			For the year ended 31 December 2025			
	Receivables	Payables	Assets	Costs (a)		Revenues (b)	
				Services	Other	Services	Other
Parent company							
- Italgas	6,154	79,266		104,579	54	1,362	8,234
	6,154	79,266		104,579	54	1,362	8,234
Other group companies							
- Toscana Energia	1,203	1,251	12	1,300		2,145	113
- Geoside	(66)	2,726	6	2,253		180	60
- Nepta	209	18		4		169	329
- ITG Newco		36		39			
- Bludigit	295	3,247	46	95,520		552	1,442
- IG Rete Dati	309	6,046		3,864			1
- Enaon	1,166					507	28
- Idrolatina	15					15	
- Idrosicilia	267					247	15
- Acqua Campania	119					119	
- Acqualatina	32			16			20
- Siciliacque	535	41					511
- Metano Sant'Angelo Lodigiano	331	21				257	73
- Umbria Distribuzione Gas	960	(78)				219	25
	5,375	13,308	64	102,996		4,410	2,617
Companies under joint control and associates							
- Energie Rete Gas	3,170	11,419	167	8,250	1,997	1,803	
- IG Servizi Energetici	21	258		231			

	3,191	11,677	167	8,481	1,997	1,803	
Other related parties							
- Eni Group	194,070	46,018	3,839	472	4,377	597,143	3,910
- Snam Group	420	202		183	44	240	103
- Enel Group	130,734	21,279	313	1,228	2,877	292,627	2,807
- Anas Group	279	2,169		19	1,361	1	
- Ferrovie dello Stato Group	445	412	4	6	1,015	7	395
- Leonardo Group	40	194		128			
- GSE Gestore Servizi Group	(25)	(1,573)			88,920	314	15
- Rai Group		1					
- Poste italiane Group	2,295	362		553	171	16,553	48
- Saipem Group		68		91			
- Eur Group		4			2		
- Valvitalia Group		385	1,154	11			
Total	328,258	69,521	5,310	2,691	98,767	906,885	7,278
Total	342,978	173,772	5,541	218,747	100,818	914,460	18,129

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

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

Parent company

The main payable commercial transactions refer to: services carried out centrally by the parent company Italgas S.p.A. (ICT, personnel and organisation, planning, administration, finance and control, legal affairs, corporate secretarial office, general services, real estate and security, enterprise risk management, institutional relations and communications, HSEQ, regulations and internal auditing), the pricing model for which is based on the chargeback of the costs incurred for providing the services according to a full cost logic; IT services; development of infrastructure and loan of personnel.

The main receivable commercial transactions regard loan of personnel and lease of real estate.

Other group companies

The main active commercial relationships concerned the provision of IT services.

The main payable transactions refer to commercial relations.

Companies under joint control and associates

The main active commercial relationships concerned the provision of IT services.

The main payable transactions refer to commercial relations.

State-owned or controlled enterprises

The main receivable commercial transactions predominantly refer to:

- the distribution of natural gas to the Eni Group, Enel Group and Poste Italiane Group;
- IT services and chargebacks of gas supply truck costs related to the Snam Group;
- energy efficiency certificates and net metering/dedicated collection of energy efficiency produced by photovoltaic plants in relation to the GSE Gestore Servizi Group;
- 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 year ended 31 December 2024	
	Receivables	Payables	Income	Expense
Parent company				
- Italgas S.p.A.	457,519	4,063,915	5,366	67,846
	457,519	4,063,915	5,366	67,846
Companies under joint control and associates				
- Energie Rete Gas	2,125			
	2,125			
Other companies				
- Umbria Distribuzione Gas			178	
- Anas Group		331		
- Ferrovie dello Stato Group		405		
- Snam Group		1,466		
		2,202	178	
Total	459,644	4,066,117	5,544	67,846

(€ thousand)	As of 31 December 2025		For the year ended 31 December 2025	
	Receivables	Payables	Income	Expense
Parent company				
- Italgas S.p.A.	397,352	4,656,988	5,133	103,291
	397,351	4,656,988	5,133	103,291
Companies under joint control and associates				
- Energie Rete Gas	2,125			
- IG Servizi Energetici	1,931		41	
	4,056		41	
Other companies				
- Umbria Distribuzione Gas			189	
- Anas Group		331		
- Ferrovie dello Stato Group		405		
- Snam Group		1,466		
		2,202	189	
Total	401,407	4,659,190	5,363	103,291

Parent company

The main financial transactions with Italgas S.p.A. relate to the coverage of financial requirements and the use of liquidity through a treasury agreement in order to meet current financial requirements and through loan agreements in the medium to long term.

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.

Transactions with Directors, Statutory Auditors and key managers, with reference in particular to their remuneration, are described in the note "Operating costs", to which reference is made.

Impact of related-party transactions or positions on the statement of financial position, income statement and statement of cash flows

The impact of related-party transactions or positions on the Statement of Financial Position is summarised in the following table:

(€ thousand)	As of 31 December 2024			As of 31 December 2025		
	Total	Related entities	Incidence %	Total	Related entities	Incidence %
Statement of financial position						
Current financial assets	458,034	458,032	100.00%	396,033	396,060	100.01%
Trade receivables and other receivables	640,653	211,806	33.06%	1,078,578	341,205	31.63%
Other current financial assets	1,066	1,066	100.00%	839	839	100.00%
Other current non-financial assets	44,966	10	0.02%	70,502	1,617	2.29%
Non-current financial assets	306,179		0.00%	312,414	4,056	1.30%
Other non-current financial assets	546	546	100.00%	453	453	100.00%
Other non-current non-financial assets	105,709	152	0.14%	143,638	156	0.11%

Current financial liabilities	103,689	93,257	89.94%	838,094	121,606	14.51%
Trade and other payables	789,474	194,529	24.64%	1,264,688	166,183	13.14%
Other current non-financial liabilities	5,460	177	3.24%	13,143	7,589	57.74%
Non-current financial liabilities	3,996,061	3,972,860	99.42%	6,415,943	4,537,584	70.72%
Other non-current non-financial liabilities	433,124		0.00%	1,092,923		0.00%

The impact of related-party transactions on the income statement is summarised in the following table:

(€ thousand)	For the year ended 31 December 2024			For the year ended 31 December 2025		
	Total	Related entities	Incidence %	Total	Related entities	Incidence %
Income Statement						
Revenues	1,919,237	659,069	34.34%	2,496,508	914,460	36.63%
Other income	34,908	12,659	36.26%	69,925	18,129	25.93%
Costs for raw materials, consumables, supplies and goods	112,520	4,723	4.20%	117,702	5,541	4.71%
Costs for services	530,375	152,523	28.76%	669,784	218,747	32.66%
Lease expenses	93,049	1,069	1.15%	126,075	2,554	2.03%
Personnel costs	167,092		0.00%	230,860		0.00%
Other expenses	47,376	85,251	179.95%	57,414	98,264	171.15%
Financial expense	75,729	67,846	89.59%	142,918	103,291	72.27%
Financial income	8,083	5,250	64.95%	9,204	5,684	61.76%

Related-party transactions are generally carried out at arm's length, i.e. at the conditions that would be applied between two independent parties.

The principal cash flows with related parties are shown in the following table

(€ thousand)	For the year ended 31 December 2024	For the year ended 31 December 2025
Revenues and income	671,728	932,589
Costs and charges	243,568	325,106
Change in current financial assets	(118,000)	62,199
Change in trade and other current receivables	(42,429)	(129,399)
Change in non-current financial assets	(93)	(3,963)
Change in other assets	(42)	(1,611)
Change in trade and other payables	88,879	(28,346)
Change in other current liabilities		7,412
Interest collected (paid)	(62,596)	(97,607)
Net cash flow from operating activities	781,013	1,066,380
Net cash flow from investment activities		
Dividends paid to minority shareholders	(415,000)	(381,000)
Increase (decrease) in financial debt	303,127	593,073
Net cash flow from/(used in) financing activities	(111,873)	212,073
Total cash flows to related entities	669,140	1,278,453

The incidence of cash flows with related parties are shown in the following table:

(€ thousand)	For the year ended 31 December 2024			For the year ended 31 December 2025		
	Total	Related entities	Incidence %	Total	Related entities	Incidence %
Cash flow / (used in) operating activities	932,390	781,013	83.76%	1,068,960	1,066,380	99.76%
Cash flow used in investing activities	(673,161)		0.00%	(811,959)		0.00%
Cash flow / (used in) financing activities	(259,720)	(111,873)	43.07%	(250,923)	212,073	(84.52)%

36) Significant non-recurring events and transactions

Pursuant to Consob Communication DEM/6064293 of 28 July 2006, it should be stated that no significant non-recurring events or transactions took place during the course of the year.

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

Pursuant to Consob Communication DEM/6064293 of 28 July 2006, it should be stated that no atypical and/or unusual positions or transactions took place during the course of the year.

38) Significant events after year end

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

Extraordinary transactions and area tenders

To fulfil the commitments required by the Antitrust Authority in relation to the acquisition of 2i Rete Gas, in January 2026 Italgas Reti incorporated and registered with the Companies' Register six new companies, each with share capital of 10,000 euro fully subscribed and paid up: Azienda Gas Valle del Sacco S.r.l., BS Reti Gas S.r.l., Infrastrutture Reti Gas SPV 1 S.r.l., Infrastrutture Reti Gas SPV 2 S.r.l., Infrastrutture Reti Gas SPV 3 S.r.l. and Reti Padova S.r.l..

On 15 January 2026, a new plant came into operation in Porto Tolle (RO), connecting the biomethane produced by Azienda Agricola Canella Giancarlo to the Italgas network. The project, carried out within the ARERA regulatory framework, also includes 100 metres of new network. Italgas highlights the strategic role of biomethane and plans to connect a further 50 plants by mid-2026.

Legal and Regulatory Framework

By order published on 27 January 2026, the Regional Administrative Court of Friuli Venezia Giulia rejected Italgas Reti's application for interim relief seeking suspension of the tender for the concession of the gas distribution service in the Pordenone area. The Court found that the risks alleged by the Company were unfounded and ruled out the existence of serious and irreparable harm, as the proceedings will allow a decision on the merits before the deadline for the submission of bids (3 June 2026). The public hearing to examine the appeal is scheduled for 10 March 2026.

With Resolution no. 9/2026/R/gas, the Authority approved the amounts to cover the additional costs arising from the extension of obligations to verify metering instruments incurred in 2018 and 2019 by distribution companies that submitted separate annual accounts under the ordinary accounting unbundling regime. The Resolution also provides that the Energy and Environmental Services Fund (CSEA) shall proceed with the settlement of the amounts recognised on a final basis to distribution companies, as an adjustment to the revenue cap set to cover metering service costs.

On 20 February, the "Energy Decree" (Decree-Law no. 21 of 20 February 2026) was published in the Official Gazette, introducing a series of urgent measures aimed at containing energy costs in favour of households and businesses. Among the measures is a 2% increase in IRAP, applied to large operators in the energy sector, including gas distribution. This measure was introduced to raise resources to finance bill bonuses and discounts; the IRAP increase takes the form of a temporary "energy tax".

Antitrust requirements

On 1 March 2026, the ATEMs of Bari 2, Barletta-Andria-Trani, Pisa and Teramo were transferred to a temporary consortium comprising Plures, Estra and Centria, covering approximately 120,000 active re-delivery points (PdRs). The remaining disposals will take place by the second quarter of 2026.

39) Publication of the financial statements

The financial statements were authorised for publication by the Board of Directors of Italgas Reti at its meeting of 3 March 2026. The Board of Directors authorised the Chairperson and the Chief Executive Officer to make any changes which might be necessary or appropriate for finalising the form of the document.

Independent Auditors' Report

Deloitte.

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**INDEPENDENT AUDITOR'S REPORT
PURSUANT TO ARTICLE 14 OF LEGISLATIVE DECREE No. 39 OF JANUARY 27, 2010
AND ARTICLE 10 OF THE EU REGULATION 537/2014**

**To the Sole Shareholder of
Italgas Reti S.p.A.**

REPORT ON THE AUDIT OF THE CONSOLIDATED FINANCIAL STATEMENTS

Opinion

We have audited the consolidated financial statements of Italgas Reti S.p.A. and its subsidiaries (the "Group"), which comprise the consolidated statement of financial position as at December 31, 2025, and the consolidated income statement, consolidated statement of comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flow for the year then ended, and notes to the consolidated financial statements, including material accounting policy information.

In our opinion, the accompanying consolidated financial statements give a true and fair view of the consolidated financial position of the Group as at December 31, 2025, and of its consolidated financial performance and its consolidated cash flows for the year then ended in accordance with IFRS Accounting Standards as issued by the International Accounting Standards Board and adopted by the European Union.

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISA Italia). Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Consolidated Financial Statements* section of our report. We are independent of Italgas Reti S.p.A. (the "Company") in accordance with the ethical requirements applicable under Italian law to the audit of the financial statements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements of the current period. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Ancona Bari Bergamo Bologna Brescia Cagliari Firenze Genova Milano Napoli Padova Parma Roma Torino Treviso Udine Verona
Sede Legale: Via Santa Sofia, 28 - 20122 Milano | Capitale Sociale: Euro 10.000.000,00 i.v.
Codice Fiscale/Registro delle Imprese di Milano/Monita Bilancio Lodi n. 03049590166 - R.E.A. n. MI-1720259 | Partita IVA: IT 03049590166

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Investments in service concession agreements for the natural gas distribution and metering services and related impairment test

Description of the key audit matter

As at December 31, 2025, the Group accounts for intangible assets including the captions "Service concession arrangements" and "Work in progress and payments on account IFRC 12", respectively equal to euro 11,533,404 thousand and euro 233,772 thousand, mainly related to investments made for development and maintenance of the infrastructures related to the service concession agreements for the natural gas distribution and metering services. Investments made in the financial year relating to these items of intangible assets totaled euro 728,315 thousand. The goodwill allocated to the sole cash-generating unit "distribution and metering of natural and other gases" amounts to euro 512,555 thousand.

The natural gas distribution and metering activity is regulated by the Regulatory Authority for Energy, Networks and Environment (Autorità di Regolazione per Energia Reti e Ambiente, "ARERA"), which define, among the others, the rules for the remuneration of the natural gas distribution and metering services.

In particular, the regulated revenues for the natural gas distribution and metering services provided by the Group are determined by ARERA and provide for recognition of a predefined return on net invested capital recognized for regulatory purposes (RAB – Regulatory Asset Base), relative depreciation and certain operating expenses – the so-called "revenue cap". The RAB value is mainly determined through the "revalued historical cost" by ARERA.

At the end of the financial year, the Group's Management assessed the recoverability of non-financial fixed assets related to the natural gas distribution and metering services comparing the carrying amount, represented by the net invested capital of the relative cash-generating unit, with the corresponding recoverable amount. In performing the impairment test, the recoverable amount of the cash-generating unit "distribution and metering of natural and other gases" was estimated according to the methodology of the RAB updated as at the balance sheet date. No impairment loss resulted from the test.

We consider that investments in service concession agreements related to the natural gas distribution and metering services and the related impairment test represent a key audit matter for the Group's consolidated financial statements as at December 31, 2025 due to: (i) the relevance of the intangible assets related to such service concession agreements compared to the Group's total assets, (ii) the relevance of the investments made during the year, (iii) their impact in determining the revenue cap for the remuneration of the natural gas distribution and metering services, and (iv) the estimation component in determining the recoverable amount of the assets.



Paragraphs "4) Material accounting policies – Intangible assets", "4) Material accounting policies – Impairment of non-financial assets", "5) Use of estimates" and "15) Intangible assets" of the consolidated financial statements include the disclosure on the investments and the relative impairment test.

Audit procedures performed

With reference to investments in service concession agreements for the natural gas distribution and metering services and the relative impairment test, our audit procedures included, among the others, the following:

- Understand the processes and relevant controls related to the recognition of such investments in the financial statements and assessment of their operating effectiveness.
- Understand the processes and relevant controls related to impairment test.
- Critical analysis of the composition of the intangible assets caption, including the analysis of any unusual item.
- For a sample of investment items accounted within intangible assets for which the amortization process begins during the year, test of the accurate start of depreciation when the asset is available for use and aging analysis of the assets capitalized within work in progress.
- With reference to investments and disposals occurred during the period, selection of a sample of transactions and test of the compliance with the criteria provided by accounting standards.
- Assessment of the consistency between the useful life used for the depreciation of the assets under concession and their regulatory useful life and reperforming of the period depreciation.
- Discussion meetings with the Group's Management in order to understand the impairment test methodology.
- Assessment that the impairment test methodology adopted by Management is in compliance with applicable accounting principles, also using the work of experts of the Deloitte network.



- Assessment of the reasonableness of the assumptions underlying the determination of the recoverable amount.

Finally, we assessed the adequacy of the disclosure provided in the notes to the consolidated financial statements and its compliance with the accounting standards.

Recognition of 2i Rete Gas merger

Description of the key audit matter

On July 1, 2025, the merger by incorporation of 2i Rete Gas into Italgas Reti became effective, following the acquisition of 99.94% of 2i Rete Gas S.p.A. by the sole shareholder Italgas S.p.A., which was completed on April 1, 2025.

The transaction was recognized at the values resulting from the consolidated financial statements of the common group, consistently with the approach outlined in Assirevi OPI Guidance Notes No. 1 (Revised) and No. 2 (Revised). The transaction was consequently accounted for making reference to the fair value of the acquired assets and liabilities, as determined by the parent company Italgas S.p.A., also with the support of independent experts, in the Purchase Price Allocation process in accordance with IFRS 3.

The recognition of values in the merger process resulted, among other, in the recognition of Intangible assets (including goodwill) and Other non-current liabilities respectively equal to euro 5,832,104 thousand and to euro 738,634 thousand mainly related to service concession agreements for the natural gas distribution which fall under the scope of application of IFRIC 12 "Service Concession Arrangements", and the recognition of Current financial liabilities and Non-current financial liabilities respectively equal to euro 551,493 thousand and to euro 2,506,831 thousand, as well as the related deferred tax.

Considering the complexity of the underlying valuation matters affecting the recognition value for the business acquired, as well as the relevance of the related effects, we considered the recognition of the merger of 2i Rete Gas a key audit matter of the Group's consolidated financial statements.

Paragraphs "3) Consolidation principles – Business combinations", "5) Use of estimates" and "6) Corporate transaction" of the consolidated financial statements include the disclosure on the process followed by the Group Management and the effects in the consolidated financial statements.



Audit procedures performed

As part of our audits work, we carried out the following procedures also using the work of experts of the Deloitte network:

- Analysis of the merger documentation in order to understand the relevant terms and conditions.
- Understand the processes and relevant controls adopted by the Group related to the accounting of the merger and the recognition of the related accounting data.
- Understand the criteria used by the Management for the recognition of the transaction and examination of the related documentation.
- Analysis of the documentation supporting the valuations underlying the allocation of the purchase price and of the related report prepared respectively by Italgas S.p.A. management and the independent experts appointed by the same entity and made available to the Group.
- Assessment of the competence, capacity and objectivity of independent experts appointed by Italgas S.p.A. management.
- Analysis of the reasonableness of the main assumptions adopted to determine the fair value of the acquired assets and liabilities.

Finally, we assessed the adequacy of the disclosure provided in the notes to the consolidated financial statements and its compliance with the accounting standards.

Responsibilities of the Directors and the Board of Statutory Auditors for the Consolidated Financial Statements

The Directors are responsible for the preparation of consolidated financial statements that give a true and fair view in accordance with IFRS Accounting Standards as issued by the International Accounting Standards Board and adopted by the European Union, and, within the terms established by law, for such internal control as the Directors determine is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, the Directors are responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless they have identified the existence of the conditions for the liquidation of the Company or the termination of the business or have no realistic alternatives to such choices.



The Board of Statutory Auditors is responsible for overseeing, within the terms established by law, the Group's financial reporting process.

Auditor's Responsibilities for the Audit of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with International Standards on Auditing (ISA Italia) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of an audit in accordance with International Standards on Auditing (ISA Italia), we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Directors.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.



We communicate with those charged with governance, identified at an appropriate level as required by ISA Italia, regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence applicable in Italy, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, actions taken to eliminate threats or safeguards applied.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditors' report.

Other information communicated pursuant to art. 10 of the EU Regulation 537/2014

The Shareholders' Meeting of Italgas Reti S.p.A. has appointed us on February 19, 2026 as auditors of the Company for the years from December 31, 2025 to December 31, 2033.

We declare that we have not provided prohibited non-audit services referred to in art. 5 (1) of EU Regulation 537/2014 and that we have remained independent of the Company in conducting the audit.

We confirm that the opinion on the financial statements expressed in this report is consistent with the additional report to the Board of Statutory Auditors, in its role of Audit Committee, referred to in art. 11 of the said Regulation.

REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

Opinions and statement pursuant to art. 14 paragraph 2, sub-paragraphs e), e-bis) and e-ter) of Legislative Decree 39/10 and pursuant to art. 123-bis, paragraph 4, of Legislative Decree 58/98

The Directors of Italgas Reti S.p.A. are responsible for the preparation of the report on operations including some specific information set forth in art. 123-bis, paragraph 2 (b) of Legislative Decree 58/98 of Italgas Reti Group as at December 31, 2025, including its consistency with the related consolidated financial statements and its compliance with the law.

We have carried out the procedures set forth in the Auditing Standard (SA Italia) n. 720B in order to:

- express an opinion on the consistency of the report on operations, including some specific information set forth in art. 123-bis, paragraph 2 (b) of Legislative Decree 58/98 with the consolidated financial statements;



- express an opinion on compliance with the law of the report on operations, including some specific information set forth in art. 123-bis, paragraph 2 (b) of Legislative Decree 58/98 , excluding the section related to the consolidated sustainability statement;
- make a statement about any material misstatement in the report on operations, including some specific information set forth in art. 123-bis, paragraph 2 (b) of Legislative Decree 58/98.

In our opinion, the report on operations, including some specific information set forth in art. 123-bis, paragraph 2 (b) of Legislative Decree 58/98 is consistent with the consolidated financial statements of Italgas Reti Group as at December 31, 2025.

In addition, in our opinion, the report on operations, including some specific information set forth in art. 123-bis, paragraph 2 (b) of Legislative Decree 58/98, excluding the section related to the consolidated sustainability statement, is prepared in accordance with the law.

With reference to the statement referred to in art. 14, paragraph 2, sub-paragraph e-ter), of Legislative Decree 39/10, made on the basis of the knowledge and understanding of the entity and of the related context acquired during the audit, we have nothing to report.

Our opinion on the compliance with the law does not extend to the section related to the consolidated sustainability statement. The conclusions on the compliance of that section with the law governing criteria of preparation and with the disclosure requirements outlined in art. 8 of the EU Regulation 2020/852 are expressed by us in the assurance report pursuant to art. 14-bis of Legislative Decree 39/10.

DELOITTE & TOUCHE S.p.A.

Signed by
Gilles Villa
Partner

Milan, Italy
March 19, 2026

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

FINANCIAL STATEMENTS

Statement of financial position

(€)	Notes	As of 31 December 2024		As of 31 December 2025	
		Total	of which, related parties	Total	of which, related parties
ASSETS					
Cash and cash equivalents	(7)	4,279,083		11,146,377	
Current financial assets	(8)	431,194,638	431,194,638	374,243,413	373,663,276
Trade receivables and other receivables	(9)	618,227,514	213,739,916	1,065,363,992	342,846,521
Inventories	(10)	37,056,413		51,736,624	
Current tax receivables	(11)	7,364,828		17,159,313	
Other current financial assets	(17)	1,065,884	1,065,884	838,630	838,630
Other current non-financial assets	(12)	43,494,251	10,946	67,913,732	1,638,175
Total Current assets		1,142,682,611		1,588,402,081	
Property, plant and equipment	(13)	289,977,568		374,946,112	
Intangible assets	(14)	6,045,158,474		11,787,886,703	
Equity investments	(15)	57,609,816		63,857,721	
Non-current financial assets	(8)	306,049,205		310,046,213	1,890,397
Prepaid taxes	(16)	8,570,251		46,157,090	
Non-current tax receivables	(11)	11,126,012		14,604,329	
Other non-current financial assets	(17)	546,089	546,089	452,751	452,751
Other non-current non-financial assets	(12)	105,456,292	121,821	143,321,205	156,451
Total Non-current assets		6,824,493,707		12,741,282,124	
Non-current assets held for sale	(18)			280,685,702	
TOTAL ASSETS		7,967,176,318		14,610,369,907	
LIABILITIES AND EQUITY					
Short-term financial liabilities	(19)	100,613,118	91,455,717	810,771,505	95,471,035
Trade and other payables	(20)	727,466,352	182,675,189	1,224,633,835	152,775,337
Current tax liabilities	(11)	18,275,073		18,617,845	
Other current non-financial liabilities	(21)	5,271,383	177,192	12,889,496	7,653,081
Total Current liabilities		851,625,926		2,066,912,681	
Long-term financial liabilities	(19)	3,613,838,450	3,592,581,029	6,013,219,046	4,137,989,480
Provisions for risks and charges	(22)	64,456,653		100,715,020	
Provisions for employee benefits	(23)	40,380,247		59,979,352	
Other non-current non-financial liabilities	(21)	431,231,426		1,090,652,847	
Total Non-current liabilities		4,149,906,776		7,264,566,265	
Non-current liabilities held for sale	(18)			46,252,782	
TOTAL LIABILITIES		5,001,532,702		9,377,731,728	
EQUITY					
Share capital	(24)	252,263,314		252,263,314	
Reserves		1,397,402,356		3,527,712,299	
Retained Earnings		904,839,733		883,911,638	
Profit (loss) for the year		411,138,213		568,750,928	
Treasury shares					
TOTAL EQUITY		2,965,643,616		5,232,638,179	
TOTAL LIABILITIES AND EQUITY		7,967,176,318		14,610,369,907	

Income Statement

(€)	Notes	For the year ended 31 December 2024		For the year ended 31 December 2025	
		Total	of which, related parties	Total	of which, related parties
	(26)				
Revenues		1,726,107,637	660,170,325	2,416,825,945	916,822,139
Other income		50,446,921	14,397,043	70,222,018	18,966,849
Total Revenues and Other income		1,776,554,558		2,487,047,963	
	(27)				
Costs for raw materials, consumables, supplies and goods		(103,916,889)	(4,619,486)	(112,558,018)	(7,230,926)
Costs for services		(433,578,518)	(142,037,373)	(641,792,808)	(207,659,968)
Lease expenses		(91,442,889)		(124,738,919)	
Personnel costs		(157,545,726)		(225,825,386)	
Allocations to/releases from bad debt provision		799,286		(978,466)	
Other expenses		(44,680,781)	(84,703,296)	(56,049,390)	(96,902,537)
Total operating costs ad other expenses		(830,365,517)		(1,161,942,987)	
AMORTISATION, DEPRECIATION AND IMPAIRMENT	(28)	(358,114,692)		(420,390,873)	
OPERATING RESULT		588,074,349		904,714,103	
	(29)				
Financial expense		(61,488,357)	(57,514,336)	(130,823,470)	(91,451,388)
Financial income		5,995,042	5,250,209	9,183,250	5,494,365
Derivative financial instruments		293,624	293,624	(320,592)	(320,592)
TOTAL FINANCIAL NET EXPENSE		(55,199,691)		(121,960,812)	
	(30)				
Dividends		1,566,141	1,566,141	3,808,370	3,808,141
Other income (expense) from equity investments		1,264,404		2,178,905	
INCOME FROM EQUITY INVESTMENTS		2,830,545		5,987,275	
Profit before taxes		535,705,203		788,740,566	
Income taxes	(31)	(124,566,990)		(219,989,638)	
Profit for the year		411,138,213		568,750,928	

Statement of Comprehensive Income

(€)	For the year ended 31 December 2024	For the year ended 31 December 2025
Profit (loss) for the year	411,138,213	568,750,928
Other comprehensive income		
<i>Components that will not be reclassified to the income statement:</i>		
Actuarial gains (losses) from remeasurement of defined benefit plans for employees	(387,471)	(331,875)
Tax effect	92,993	92,925
Total other comprehensive income, net of tax effect	(294,478)	(238,950)
Total comprehensive income for the year	410,843,735	568,511,978

Statement of changes in equity

	Share capital	Share premium reserve	Legal reserve	Reserve for defined-benefit plans for employees, net of tax effect	IFRS application reserve	Other reserves	Retained Earnings	Profit for the year	Total equity
<i>(€ thousand)</i>									
Balance as at 31 December 2023 (a) (Note 21)	252,263	45,525	57,428	(8,117)	294,720	1,008,083	978,435	358,011	2,986,348
2024 profit for the year								411,138	411,138
Other comprehensive income:									
<i>Components that will not be reclassified to the income statement, net of tax effect:</i>									
- Actuarial gains (losses) from remeasurement of defined-benefit plans for employees, net of tax effects				(295)					(295)
Total comprehensive income 2024 (b)				(295)				411,138	410,843
Transactions with shareholders:									
- Allocation of 2023 profit for the year							358,011	(358,011)	
- Distribution of dividend							(305,000)		(305,000)
- Distribution of an extraordinary dividend							(110,000)		(110,000)
- Retained earnings							53,011	53,011	
Total transactions with shareholders (c)							(56,989)	(358,011)	(415,000)
Other changes in shareholders' equity (d)						59	(16,607)		(16,548)
Balance as at 31 December 2024 (e=a+b+c+d) (Note 24)	252,263	45,525	57,428	(8,412)	294,720	1,008,142	904,839	411,138	2,965,643

	Share capital	Share premium reserve	Legal reserve	Reserve for defined-benefit plans for employees, net of tax effect	Reserve for business combinations under common control	Other reserves	Retained Earnings	Profit for the year	Total equity
<i>(€ thousand)</i>									
Balance as at 31.12.2024 (a) (Note 21)	252,263	45,525	57,428	(8,412)	294,720	1,008,142	904,839	411,138	2,965,643
2025 profit for the year								568,751	568,751
<i>Components that will not be reclassified to the income statement, net of tax effect:</i>									
Actuarial gains (losses) from remeasurement of defined benefit plans for employees				(238)					(331)
Total comprehensive income 2025 (b)				(238)				568,751	568,420
Transactions with shareholders:									
- Allocation of 2024 profit for the year							411,138	(411,138)	
- Dividend distribution							(350,000)		(350,000)
- Bludigit demerger							(48,850)		(48,850)
- Distribution of an extraordinary dividend							(31,000)		(31,000)
- Co-investment plan							750		750
Total transactions with shareholders (c)							(17,962)	(411,138)	(429,100)
Other changes in shareholders' equity (d)						2,130,548	(2,966)		2,130,548
Balance as at 31.12.2025 (e=a+b+c+d) (Note 24)	252,263	45,525	57,428	(8,650)	294,720	3,138,690	883,911	568,751	5,232,638

Statement of Cash Flow

(€ thousand)	As of 31 December 2024	As of 31 December 2025
Profit for the year	411,138	568,751
Adjustments to reclassify net profit to cash flow from operating activities:		
Amortisation, depreciation and impairment of assets	358,114	420,380
Stock grant	59	(253)
Net capital losses (capital gains) on asset sales, cancellations and eliminations	29,569	33,150
Dividends	(1,566)	(3,808)
Financial income, including changes in the fair value of derivative financial	(6,289)	(8,863)
Financial expense	61,489	130,823
Income taxes	124,567	219,990
Change in provisions for employee benefits	(5,567)	(10,053)
Changes in working capital:		
- Inventories	14,709	1,249
- Trade receivables	(149,195)	(185,545)
- Trade payables	27,336	(4,385)
- Provisions for risks and charges	(16,700)	(23,628)
- Other assets and liabilities	125,018	347,386
Dividends cashed in	1,566	3,808
Financial income collected	5,674	5,447
Financial expense paid	(43,411)	(135,510)
Income taxes paid, net of tax credits reimbursed	(50,671)	(322,688)
Net cash flow from operating activities	885,840	1,038,251
Investments:		
- Property, plant and equipment	(20,487)	(29,398)
- Intangible assets	(568,273)	(707,615)
- Equity investments and other financial assets	(16,855)	648
- Change in payables and receivables for investments	18,894	(30,422)
Disinvestments:		
- Property, plant and equipment	2,828	1,138
Net cash flow used in investing activities	(583,893)	(767,539)
Assumptions of long-term financial debt	267,798	1,115,946
Repayment of non-current financial debt		(1,066,358)
Change in financial receivables non-instrumental to operations	(130,287)	98,256
Increase (decrease) in short-term financial debt	(5,938)	(1,915)
Dividends paid	(415,000)	(381,000)
Repayment of lease liabilities	(19,097)	(28,774)
Net cash flow from/(used in) financing activities	(302,524)	(263,845)
Net cash flow for the year	(577)	6,867
Opening cash and cash equivalents	4,857	4,279
Closing cash and cash equivalents	4,279	11,146

Notes to the Financial statements

Company Information

Italgas Reti (hereinafter referred to as the Company) is a joint-stock company controlled by Italgas S.p.A., which holds 100% of its share capital, with registered office in Turin, at Largo Regio Parco 9.

The Company operates in the regulated activity of natural gas distribution. This activity is carried out through an integrated system of infrastructures, all located in Italy.

Italgas Reti does not exercise management and coordination over its subsidiaries as it is subject to direction and coordination by Italgas S.p.A.

1) Basis of preparation

The financial statements have been prepared in accordance with the IFRS Accounting Standards issued by the International Accounting Standards Board (IASB) and adopted by the European Commission according to the procedure pursuant to Article 6 of (EC) Regulation No. 1606/2002 of the European Parliament and of the Council of 19 July. The IFRS also include the International Accounting Standards (IAS) as well as the interpretive documents still in force issued by the IFRS Interpretations Committee (IFRIC), including those previously issued by the International Financial Reporting Interpretations Committee (IFRIC) and, before that, by the Standing Interpretations Committee (SIC). For sake of simplicity, all of the aforementioned standards and interpretations will hereafter be referred to as “IFRS” or “International Accounting Standards”.

The same measurement criteria explained in the notes to the Consolidated financial statements, to which the reader is referred, are applied in the 2025 Financial statements.

The Financial statements are prepared on a going-concern basis, using the historical cost method, taking into account value adjustments where appropriate, with the exception of the items which, according to IFRS, must be valued at fair value.

The Financial statements as at 31 December 2025, approved by the Board of Directors of Italgas Reti S.p.A. at the meeting of 3 March 2026 were subjected to an audit by Deloitte & Touche S.p.A.

These financial statements are presented in Euro. The Statement of Financial Position, the Income Statement and the Statement of Comprehensive Income are presented in units of Euro, while the Statement of Changes in Shareholders' Equity and the Statement of Cash Flow are presented in thousands of Euro. While taking the importance of the amounts into consideration, the information contained in the Notes to the Financial statements are stated in thousands of euro.

2) Adoption of new accounting standards

Italgas Reti S.p.A. applied the international accounting standards that came into force on 1 January 2025, described in the previous section of the Consolidated financial statements, in the Financial statements as at 31 December 2025. The new standards that came into force on 1 January 2025 and the standards that have not yet come into force or have not yet been approved have no impact on the Company's separate financial statements.

3) Measurement criteria

The measurement criteria are the same as those adopted for the preparation of the Consolidated Financial Statements, to which reference is made, except for those set out below:

Equity investments

The subsidiaries are companies over which the Company has the right to exercise direct or indirect control, as defined by IFRS 10 – “Consolidated Financial Statements”. Specifically, control exists where the controlling entity simultaneously:

- has the power to make decisions concerning the affiliate;
- is entitled to receive a share of or is exposed to the variable profits and losses of the affiliate;

- is able to exercise power over the affiliate in such a way as to affect the amount of its economic returns.

The Group reassesses whether or not it controls an affiliate if facts and circumstances indicate that there are changes to one or more of the three elements of control listed above.

A joint venture is a joint arrangement in which the parties holding joint control have rights to the net assets of the arrangement and, therefore, have an interest in the jointly controlled corporate vehicle.

An associate is an affiliate in relation to which the investor holds significant influence or the power to participate in determining financial and operating policies but does not have control or joint control. It is assumed that the investor has significant influence (unless there is proof to the contrary) if it holds, directly or indirectly through subsidiaries, at least 20% of the exercisable voting rights.

Subsidiaries, joint ventures, associates and other equity investments are indicated separately in the appendix “Subsidiaries, associates and equity investments of Italgas Reti as at 31 December 2025”, which is an integral part of these notes.

Dividends are recognised at the date of the resolution passed by the Shareholders’ Meeting, unless it is not reasonably certain that the shares will be sold before the ex-dividend date. The dividends resolved by subsidiaries or joint ventures are charged to the income statement when they are resolved, even if they come from the distribution of retained earnings generated prior to acquisition of the equity investment. Distribution of these retained earnings is an event that leads to the assumption of an impairment, and therefore it involves the need to check recoverability of the carrying amount of the equity investment. Distribution of a capital reserve, on the contrary, is a repayment of capital without economic effects.

Impairment testing of equity investments

Where there are specific impairment indicators, the value of the equity investments in subsidiaries and associates, determined on the basis of the cost criterion, is subject to impairment testing.

Examples of impairment indicators are as follows:

- the book value of the equity investment in the separate financial statements exceeds the carrying amount of the affiliate's net assets;
- the dividend distributed by the affiliate exceeds the total profits of the affiliate in the period to which the dividend relates;
- there are expectations of significantly decreasing operating results in future years;
- the existence of changes in the technological, market, economic or regulatory environment in which the affiliate operates that could have significant adverse economic effects on the company's results.

In the presence of these indicators, the recoverability of equity investments is verified by comparing their carrying amount with the related recoverable amount, represented by the higher of fair value (net of disposal costs) and value in use, determined by applying the criteria indicated under “Impairment of equity investments” contained in paragraph “5) Use of estimates”.

The parent company's share of any losses of the affiliate, exceeding carrying amount of the equity investment, is recognised in a special provision to the extent that the parent company is committed to fulfilling its legal or constructive obligations of the investee or, otherwise, covering its losses.

When the reasons for the impairment losses no longer exist, the carrying amount of the equity investments measured at cost is restored up to the amount of the impairment losses entered with the effect posted to the income statement under “Income from equity investments”.

4) Financial statements

The formats adopted for the preparation of the financial statements are consistent with the provisions of IAS 1 - "Presentation of financial statements" ("IAS 1"). In particular:

- the Statement of Financial Position items are broken down into assets and liabilities, and then further into "current or non-current items";
- the Income Statement classifies costs by type, since this is deemed to be the best way of representing the Company and is in line with international best practice;
- the Statement of Comprehensive Income shows the profit or loss in addition to the income and expense recognised directly in shareholders' equity as expressly provided for by the IFRS;
- the Statement of Changes in Equity reports the total income (expense) for the financial year, shareholder transactions and the other changes in equity;
- the Statement of Cash Flow is prepared using the "indirect" method, adjusting the profit for the year of non-monetary components.

It is believed that these statements adequately represent the Company's situation with regard to its Statement of Financial Position, Income Statement and Statement of Cash Flows.

Moreover, pursuant to Consob Resolution No. 15519 of 28 July 2006, any income and expense from non-recurring operations is shown separately in the income statement.

With regard to the same Consob Resolution, the balances of receivables/payables and transactions with related parties, described in more detail in the note "Related party transactions", are shown separately in the Consolidated Financial Statements.

5) Use of estimates

Details are given below about the main accounting estimates involved in the process of preparing the Financial statements, since they involve a high degree of recourse to subjective judgements, assumptions and estimates regarding matters that are by nature uncertain. Any change in the conditions forming the basis of the judgements, assumptions and estimates used could have a significant impact on results of subsequent years.

Impairment of assets

Measurement of tangible and intangible assets, including goodwill, requires recording of these in the financial statements for a value no higher than their recoverable value (so-called impairment test).

In determining the recoverable amount, the Company applies the higher of the fair value less cost to sell criterion and the value in use criterion. "Fair value less to cost to sell" is alternatively:

- (i) The estimated value of net invested Capital updated to the balance sheet date attributed to these assets for tariff purposes (RAB - Regulatory Asset Base) by ARERA, net of the flat-rate components, employee severance pay and contributions received. RAB is the reference basis for determining the service tariffs and, therefore, the cash flows generated from assets. The RAB value is defined using the revalued historical cost method for Fixed Capital and on a flat-rate basis for Working Capital and employee severance pay;
- (ii) The reimbursement value (RV) valid for ATEM (Minimum Territorial Areas) tenders. The RV is the amount to be paid to the operator selling the infrastructure following the tender procedure;

Value in use refers to:

- (iii) the present value of the future cash flows expected to be derived from the asset being measured. These flows are determined in line with the most recent business plan approved by management, which is based not only on developments in the regulations, but also on estimates relating to reference market trends and investment and divestment decisions. In the process of

determining the recoverable value, flows are discounted at a discount rate that reflects current market conditions, the time value of money and the specific risks of the asset.

More information on the impairment test carried out by the Company's management on property, plant and equipment and on intangible assets can be found in the "Impairment of non-financial assets" paragraph.

The recoverable value is sensitive to the estimates and assumptions used to determine the total invested capital, cash flows and discount rates applied in the event that the value-in-use method is applied. Therefore, possible variations in the estimation of the factors on which the calculation of the aforesaid recoverable values is based could result in different measurements.

Analysis of each of the groups of non-financial assets is unique and requires use by the company's management of estimates and assumptions considered prudent and reasonable in relation to the specific circumstances.

Environmental liabilities

The Company is subject, in relation to its activities, to numerous laws and regulations on environmental protection at European, national, regional and local level, including the laws which implement international conventions and protocols relating to the activities carried out.

The measurement of future liabilities in connection with reclamation and restoration obligations in relation to sites and/or land on which the Company carries out its business is a complex process based on technical and financial assumptions made by the company's management and supported by independent experts where necessary.

The restoration cost estimate is discounted using a risk-free rate in accordance with IAS 37. The estimate is made using a principle of prudence based on the known market, legislative and technological conditions at the time of measurement.

The estimates are reviewed at each balance sheet date to verify that the amounts recorded are the best reflection of the costs the Company will face. If any significant variations are found, the amounts are adjusted. The key factors for revising cost estimates are the revision of the timeframes for implementing the site reclamation and restoration plan, developments in the technologies and environmental regulations and discount rate trends.

Measurement of environmental liabilities recorded in the financial statements takes into account the environmental legislation currently in force. However, this measurement could be subject to variations, even to a significant extent, in relation to: (i) the possibility of further contamination arising; (ii) the results of current and future refurbishment and the other possible effects arising from the application of the laws in force; (iii) the possible effects of new laws and regulations for environmental protection; (iv) the effects of any technological innovations for environmental cleansing; and (v) the possibility of disputes concerning the environmental liability for specific sites and the difficulty of determining the potential consequences of this, including in relation to the liability of other parties and any indemnity.

Provisions for employee benefits

Defined-benefit plans are valued on the basis of uncertain events and actuarial assumptions which include, inter alia, the discount rates, the expected returns on the assets servicing the plans (where they exist), the level of future remuneration, mortality rates, the retirement age and future trends in the healthcare expenses covered.

The main assumptions used to quantify defined-benefit plans are determined as follows: (i) the discount and inflation rates representing the base rates at which the obligation to employees might actually be fulfilled are based on the rates which mature on high-quality bonds and on inflation expectations; (ii) the level of future

remuneration is determined on the basis of elements such as inflation expectations, productivity, career advancement and seniority; (iii) the future cost of healthcare services is determined on the basis of elements such as present and past trends in healthcare costs, including assumptions regarding the inflationary growth of costs, and changes in the health of the participating employees; and (iv) the demographic assumptions reflect the best estimates of trends in variables such as mortality, turnover, invalidity and others in relation to the population of the participating employees.

Differences in the value of net liabilities relating to employee benefit plans, arising due to changes in the actuarial assumptions used and the difference between the actuarial assumptions previously adopted and actual events, occur routinely and are called actuarial gains and losses. Actuarial gains and losses relating to defined-benefit plans are recognised in the statement of comprehensive income. Actuarial assumptions are also used to determine other long-term employee benefit obligations; to this end, the effects arising from changes to the actuarial assumptions or the characteristics of the benefit are fully recognised in the income statement.

Provisions for risks and charges

In addition to the amounts allocated to the provisions for environmental liabilities, Italgas Reti recorded provisions mainly relating to the following in the financial statements: (i) legal and tax disputes; (ii) staff leaving incentives; (iii) expenses related to meeting the Energy Efficiency Certificates targets (EEC) set by the Authority; (iv) provision for contractual risks.

Provisions are made to cover the risk of future outlay for the cases set out above. The value of the provisions recorded in the financial statements for such risks reflects the best estimate made by the company's management with the support of independent professionals at the preparation date of this document. This estimate involves making assumptions based on factors that may vary over time, which could, therefore, produce a significantly different outcome with respect to the current estimates made by the company's management for the preparation of the financial statements.

Impairment of equity investments

Measurement of equity investments requires recording of these in the financial statements for a value no higher than their recoverable value (so-called Impairment test).

Recoverable amount is the higher of the *fair value less cost to sell* criteria and the value in use criteria.

As regards equity investments in companies operating in regulated sectors, "fair value less cost to sell" means:

- (i) for the gas distribution service in Italy, the estimated equity value, determined by deducting the net financial position from the Net Invested Capital updated as at the reporting date and recognised for tariff purposes (RAB – Regulatory Asset Base)¹ by the Authority, or from that determined on the basis of the reimbursement value (RV) applicable to ATEM tenders, which represents the value to be recognised to the operator selling the infrastructure following the tender procedure;

Value in use refers to:

- (ii) the present value of the future cash flows expected to be derived from the asset being measured, minus the net financial position. These flows are determined in line with the most recent business plan approved by

¹ RAB is the reference basis for determining the service tariffs and, therefore, the cash flows generated from assets. The use of the RAB for estimating recoverable amount is a generally accepted method in regulated utility sectors.

management, which is based not only on developments in the regulations, but also on estimates relating to reference market trends and investment and divestment decisions. In the process of determining the recoverable value, flows are discounted at a discount rate (WACC post-tax) that reflects current market conditions, the time value of money and the specific risks of the asset.

The assumptions underlying the impairment testing carried out by Management in relation to the equity investments are set out in the paragraph “Impairment testing of equity investments”.

The recoverable value is sensitive to the estimates and assumptions used to determine the total invested capital, cash flows and discount rates applied in the event that the value-in-use method is applied. Therefore, possible variations in the estimation of the factors on which the calculation of the aforesaid recoverable values is based could result in different measurements.

Analysis of each equity investment is unique and requires use by the company’s management of estimates and assumptions considered prudent and reasonable in relation to the specific circumstances.

6) Corporate transactions

On 1 July 2025, the merger by incorporation of 2i Rete Gas into Italgas Reti became effective, followed by the demerger of the former 2i Rete Gas IT business unit, including the equity investment in IG Rete Dati, in favour of Bludigit, a company of the Italgas Group. These transactions were carried out following the acquisition of 99.94% of 2i Rete Gas S.p.A., completed by the sole shareholder Italgas S.p.A. on 1 April 2025.

As required by Assirevi OPI Guidelines no. 1 (Revised) and no. 2 (Revised), the transaction was recognised at the values resulting from the consolidated financial statements of the common parent group (so-called Business Combination Under Common Control).

The transaction was consequently accounted making reference to the fair values of the assets and liabilities acquired, as determined by the parent company Italgas S.p.A. during the Purchase Price Allocation in accordance with IFRS 3, which mainly involved:

- (i) the recognition of Intangible assets – consisting of concessions for the natural gas distribution service, which fall within the scope of IFRIC 12 – Service Concession Arrangements – and Other non-current liabilities (contributions received from users) at fair value, using values determined on the basis of the Regulatory Asset Base (RAB) for the relevant location² as at the acquisition date. The use of the RAB is a generally accepted method within regulated utility sectors for the purpose of estimating fair value;
- (ii) the recognition of financial liabilities at fair value in order to reflect, including for fixed-rate bonds, conditions in line with market conditions at the acquisition date.

The recognition of assets and liabilities has resulted, in accordance with applicable tax legislation, in the recognition of deferred taxes on temporary differences between carrying amounts and tax bases.

The Intangible assets includes goodwill as determined in the consolidated financial statements of the common group in relation to the transferred business.

Goodwill relates to future economic benefits that cannot be separately identified or transferred independently, such as the industrial and operational expertise of the management and the technical team. Furthermore, this amount reflects that, for the majority of the concessions acquired, 2i Rete Gas operated under a prorogatio regime, pending the completion of new tender procedures at the Minimum Territorial Area (ATEM) level, as required by sector regulations. Goodwill recognised is not depreciated and is subject to an annual impairment test in accordance with IAS 36, or more frequently if there are indications of impairment.

² RAB (Regulatory Asset Base) for a specific area’ refers to the value of fixed assets, net of capital grants and user contributions received for regulatory purposes, relating to the geographical area (tariff zone) relevant for the determination of tariffs for the natural gas distribution service.

The concurrent demerger transaction was also recognised in continuity of values, as it represented a transfer of business within the same group.

The values relating to the transactions carried out are set out below:

(€ thousand)	2i RETE GAS (Merger as at 1 July 2025)	Demerger of the Bludigit business unit
Cash and cash equivalents	649	
Current financial assets	41,304	
Trade receivables and other receivables	394,663	(211)
Inventories	15,930	
Tax assets	83	
Other current assets	22,982	
Current assets	475,611	(211)
Property, plant and equipment	53,231	(2,348)
Intangible assets	5,832,104	(42,433)
Equity investments	17,989	(11,764)
Non-current tax receivables	306	
Prepaid taxes	291,964	(560)
Other non-current assets	50,288	(3,052)
Non-current assets	6,245,882	(60,157)
TOTAL ASSETS	6,721,493	(60,368)
Current financial liabilities	551,493	
Trade and other payables	388,165	(11,167)
Tax liabilities	18,590	
Other current liabilities	15,653	
Current liabilities	973,901	(11,167)
Non-current financial liabilities	2,506,831	
Provisions for risks and charges	61,643	(170)
Provisions for employee benefits	25,564	(181)
Deferred tax liabilities	286,732	
Other non-current liabilities	738,643	
Non-current liabilities	3,619,404	(351)
TOTAL LIABILITIES	4,593,305	(11,518)
VALUE OF NET ASSETS ACQUIRED	2,128,188	
VALUE OF NET ASSETS TRANSFERRED		(48,850)

7) Cash and cash equivalents

Cash and cash equivalents, equal to 11,146 thousand euro (4,279 thousand euro as at 31 December 2024), refer to current account deposits held at banks.

Cash and cash equivalents are not subject to any usage restrictions.

A comprehensive analysis of the financial situation and major cash commitments during the year can be found in the Statement of Cash Flow.

8) Current and non-current financial assets

Current financial assets, amounting to 374,243 thousand euro (431,195 thousand euro as at 31 December 2024), mainly relate to current account balances with the parent company Italgas S.p.A. (370,175 thousand euro).

Non-current financial assets, amounting to 310,046 thousand euro as at 31 December 2025 (306,049 thousand euro as at 31 December 2024), mainly relate to the residual financial receivable value of the Concession with the Municipality of Rome, as contractually established under the gas distribution concession, and which became payable upon the expiry of the concession in the latter part of the 2024 financial year, (299,600 thousand euro), equity investments measured at fair value (8,400 thousand euro) and government bonds maturing beyond the financial year (156 thousand euro).

9) Trade receivables and other receivables

Trade receivables and other receivables, which amounted to 1,065,364 thousand euro (618,228 thousand euro at 31 December 2024), are broken down as follows:

(€ thousand)	As of 31 December 2024	As of 31 December 2025
Trade receivables	503,669	909,988
Receivables from investment/divestment activities	5,278	4,300
Other receivables	109,281	151,076
	618,228	1,065,364

Trade receivables, amounting to 909,988 thousand euro, relate essentially to the gas distribution and metering service and related ancillary services. Trade receivables mainly concern receivables from sales companies and receivables from the Cassa per i Servizi Energetici e Ambientali (Energy and Environmental Services Fund, CSEA), primarily relating to the equalisation³ (160,215 thousand euro). The increase of 406,319 thousand euro is mainly attributable to the acquisition of the company 2i Rete Gas. In particular, due to (i) higher receivables from sales companies for the gas distribution service in Italy (356,962 thousand euro) and (ii) receivables from CSEA relating to the equalisation of the gas distribution service (45,475 thousand euro).

Trade and other receivables are reported net of the bad debt provision (10,641 thousand euro at 31 December 2025 and 4,520 thousand euro at 31 December 2024).

The bad debt provision reflects estimated losses in connection with the company's credit portfolio. Impairment is made for expected losses on receivables, estimated both on the basis of past experience with receivables with similar credit risk and on the basis of future expected loss on open positions as at the reference date, as well as careful monitoring of the quality of credit portfolios.

Receivables relating to investment and divestment activities concern the disposal of property, plant and equipment.

It is noted that the carrying amount of trade receivables, financial receivables and other receivables approximates their respective fair value, considering the short period of time between the origination of the receivable and its maturity.

Other receivables, amounting to 151,076 thousand euro (109,281 thousand euro as at 31 December 2024) comprise:

(€ thousand)	As of 31 December 2024	As of 31 December 2025
Receivables due from CSEA	56,625	98,653
Receivables from public bodies and administrations	699	2,298
IRES receivables for the tax consolidation scheme	4,472	1,004
VAT receivables for liquidation of Group VAT	932	
Receivables for advances on services	35,799	38,581
Receivables from personnel	3,212	3,000
Other receivables	7,542	7,540
	109,281	151,076

Receivables from the CSEA, amounting to 98,653 thousand euro (56,625 thousand euro as at 31 December 2024) mainly relate to the additional components of the gas distribution (UG2⁴ and Bonus Gas⁵). See paragraph 26 "Revenues and other income" for further details. The increase stems mainly from the incorporation of the company 2i Rete Gas during the financial year.

Receivables from Public Bodies and Public Administrations, amounting to 2,298 thousand euro (699 thousand euro as at 31 December 2024), relate in particular to fees due from Municipalities, mainly in respect of the Fee for the Occupation of Public Spaces and Areas ("COSAP").

Receivables relating to the tax consolidation regime (1,004 thousand euro) relate to receivables arising from the refund claim for IRES resulting from the partial deductibility of IRAP for the tax periods from 2004 to 2007 (pursuant to Article 6 of Decree-Law No. 185 of 28 November 2008, converted into Law No. 2 of 28 January

³ The mechanism based on which the differences between what is invoiced to sales companies and the revenue restrictions defined by the Authority are recorded as debits/credits from the CSEA.

⁴ Additional component of the distribution tariff for the purpose of containing the cost of the gas service for low consumption end users.

⁵ Component relating to requests for subsidies for natural gas provision by economically disadvantaged customers.

2009) and for the tax periods from 2007 to 2011 (pursuant to Decree-Law 201/11). The item decreased during the year mainly following the collection of a receivable from the former parent company Eni, in connection with an IRES reimbursement claim.

The fair value measurement of trade receivables and other receivables has no material impact considering the short period of time from when the receivable arises and its due date and contractual conditions.

The length of time the trade receivables and other receivables have been outstanding is shown below:

(€ thousand)	As of 31 December 2024			As of 31 December 2025		
	Trade receivables	Other receivables	Total	Trade receivables	Other receivables	Total
Receivables not overdue	494,462	114,559	609,021	866,870	155,376	1,022,246
Receivables overdue:	9,207		9,207	43,118		43,118
- from 0 to 3 months	402		402	4,649		4,649
- from 3 to 6 months	810		810	5,267		5,267
- from 6 to 12 months	757		757	14,369		14,369
- over 12 months	7,238		7,238	18,833		18,833
	503,669	114,559	618,228	909,988	155,376	1,065,364

Total overdue receivables amount to 43,118 thousand euro (9,207 thousand euro as at 31 December 2024) and mainly relate to other receivables from public administrations.

Almost all trade receivables relating to gas distribution are settled at maturity for 99,08% and for more than 99% within the following four days, in line with the previous financial year.

Additional disclosures on financial instruments, including trade receivables and other receivables, are presented in the note “Guarantees, Commitments and Risks”, which should be consulted for further details. All receivables are in Euro. Receivables from related parties are described in section “Related party transactions”.

Specific information on credit risk is provided in section “Guarantees, commitments and risks - Financial risk management - Credit risk”.

10) Inventories

Inventories, amounting to 51,737 thousand euro, mainly consist of gas distribution materials, primarily smart meters, and increase by 14,680 thousand euro compared with 31 December 2024 due to the combined effect of the merger of 2i Rete Gas and the gas meter replacement plan. No pledges exist on inventories and a residual provision for impairment losses of 6,359 thousand euro is recognised as at 31 December 2025 (6,284 thousand euro as at 31 December 2024).

11) 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 December 2025		
	Current	Non-current	Total	Current	Non-current	Total
Tax receivables	7,364	11,136	18,490	17,159	14,604	31,763
- IRES	3,038	11,126	14,164	17,156	14,604	31,760
- IRAP	4,326		4,326	3		3
Tax liabilities	18,275		18,275	18,618		18,618
- IRES	275		275	15,768		15,768
- IRAP	18,000		18,000	2,850		2,850

Current tax receivables increased by 9,795 thousand euro compared with the previous financial year, mainly due to higher IRES receivables to be offset in the following financial year (15,641 thousand euro), relating to payments made as final settlement for the tax period from 1 January to 30 June 2025 of the merged company 2i Rete Gas S.p.A., partially offset by lower IRAP receivables to be offset in the following financial year (4,323 thousand euro) and lower receivables following the reimbursement of the Robin Tax surcharge (1,254 thousand euro) during the financial year.

Non-current tax receivables of 14,604 thousand euro refer to receivables for income taxes for long-term redemption.

Current tax liabilities increased by 343 thousand euro compared with the previous financial year, mainly due to higher short-term payables for IRES partially mitigated by a decrease in IRAP payables.

Taxes pertaining to the year under review are shown in the note “Income taxes”.

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

Other current non-financial assets, amounting to 67,914 thousand euro (43,494 thousand euro as at 31 December 2024) and *other non-current non-financial assets*, amounting to 143,321 thousand euro (105,456 thousand euro as at 31 December 2024), break down as follows:

(€ thousand)	As of 31 December 2024			As of 31 December 2025		
	Current	Non-current	Total	Current	Non-current	Total
Other regulated activities	41,803	103,261	145,064	60,666	111,877	172,543
Other taxes	1,127		1,127	1,067		1,067
Security deposits		2,004	2,004		4,663	4,663
Prepayments	564	132	755	6,181	270	6,451
Other		59	59		26,511	26,511
	43,494	105,456	148,950	67,914	143,321	211,235

Other regulated activities (172,543 thousand euro as at 31 December 2025) essentially relate to (i) the tariff recognition, by the Authority, as a result of the plan to replace traditional meters with electronic ones pursuant to Article 57 of ARERA Resolution no. 367/14, as subsequently amended and supplemented, as a result of the change in methodology over previous years and the recovery of non-depreciation (so-called IRMA) pursuant to DCO 545/2020/R/gas, Resolution no. 570/2019/R/gas and Determination no. 3/2021; (ii) to the tariff recognition pursuant to Resolution no. 737/2022/R/gas and Determination no. 1/2023 of 11 October 2023 – DINE of the residual non-depreciated costs of the smart meters installed in the first roll-out phase of the installation plans provided for by the Gas Smart Meters Directives, which had to be disposed of earlier than the end of their useful life.

The other current tax assets, amounting to 1,067 thousand euro (1,127 thousand euro as at 31 December 2024) refer to VAT receivables for 392 thousand euro (381 thousand euro as at 31 December 2024) and to other taxes for 675 thousand euro (746 thousand euro as at 31 December 2024).

The item “Other”, amounting to 26,511 thousand euro as at 31 December 2025 (59 thousand euro as at 31 December 2024), increased by 26,452 thousand euro as a result of the acquisition from Geoside S.p.A. of Super/Ecobonus receivables (26,442 thousand euro), which can be offset against taxes payable by the Group in accordance with the procedures established under the tax consolidation regime. Group Management has assessed the recoverability of the Super/Ecobonus receivables based on the Group’s expected overall tax contribution in the following years in accordance with regulatory requirements and, after its assessments, it is believed that the recoverability of the receivable is adequately guaranteed by the Group’s ample tax capacity.

13) Property, plant and equipment

Property, plant and equipment, which amount to 374,907 thousand euro (289,978 thousand euro as at 31 December 2024), break down and changed as follows:

(€ thousand)	As of 31 December 2024						Total
	Land	Buildings	Plant and equipment	Industrial and commercial equipment	Other assets	Work in progress and payments on account	
Historical cost at 31.12.2023	12,445	445,194	4,476	167,474		9,162	638,751
of which right of use as at 31.12.2023		26,820		86,816			113,636
Additions	51	5,300	871	3,343		10,747	20,312
Right of use additions		3,200		9,575			12,775
Disposal	(162)	(3,512)		(175)		(429)	(4,278)
Disposals of right of use		(1,980)		(4,286)			(6,266)
Reclassifications	7	2,392	3	305		(2,707)	

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Reclassifications of right of use							
Other changes				(514)		1,809	1,295
Other changes in right of use							
Historical cost at 31.12.2024	12,341	450,594	5,350	175,722		18,582	662,589
Accumulated depreciation at 31.12.2023		(221,381)	(2,086)	(126,349)			(349,816)
of which right of use as at 31.12.2023		(15,076)		(29,186)			(44,262)
Depreciation		(7,540)	(694)	(3,298)			(11,532)
Amortisation of right of use	(1)	(4,220)		(15,025)			(19,246)
Disposal		2,483		132			2,615
Disposals of right of use		1,414		3,954			5,368
Accumulated amortisation and depreciation at 31.12.2024	(1)	(229,244)	(2,780)	(140,586)			(372,611)
Net balance at 31.12.2023	12,445	223,813	2,390	41,125		9,162	288,935
Net balance at 31.12.2024	12,340	221,350	2,570	35,136		18,582	289,978

As of 31 December 2025

(€ thousand)	Land	Buildings	Plant and equipment	Industrial and commercial equipment	Other assets	Work in progress and payments on account	Total
Historical cost at 31.12.2024	12,341	450,594	5,350	175,722		18,582	662,589
of which right of use as at 31.12.2024		28,040		92,105			120,145
Additions		9		10,138		19,251	29,398
Right of use additions	85	3,825		26,801	15,022		45,733
Disposal	(3)	(1,469)	139	(5)			(1,362)
Disposals of right of use		(3,731)		(5,676)			(9,407)
Mergers		57,725		7,059			64,784
Demergers				(7,059)			(7,059)
Reclassifications and other changes		(44,000)		44,000			
Reclassifications and other changes of right of use				(53,800)	53,800		
Other changes	13	12,352		(93)	9,255		21,527
Other changes changes of right of use	14,172	488,449	14,649	198,916	78,266	43,988	838,440
Historical cost at 31.12.2025		(44,000)		44,000			
Accumulated depreciation at 31.12.2024	(1)	(229,244)	(2,780)	(140,586)			(372,611)
of which right of use as at 31.12.2024	(1)	(17,882)		(40,257)			(58,140)
Depreciation		(7,401)	(786)	(3,997)			(12,184)
Amortisation of right of use	(2)	(6,600)		(7,390)	(13,220)		(27,212)
Disposal		1,020					1,020
Disposals of right of use		1,618		4,663			6,281
Mergers		(6,842)		(4,711)			(11,553)
Demergers				4,711			4,711
Reclassifications and other changes							
Reclassifications and other changes of right of use				38,000	(38,000)		
Other changes		(6,617)	(1,101)	(12,159)			(19,877)
Other changes changes of right of use	(2)	(3,048)		(28,932)	(126)		(32,108)
Accumulated amortisation and depreciation at 31.12.2025	(5)	(257,114)	(4,667)	(150,401)	(51,346)		(463,533)
Net balance at 31.12.2024	12,340	221,350	2,570	35,136		18,582	289,978
Net balance at 31.12.2025	14,167	231,335	9,982	48,515	26,920	43,988	374,907

Land and buildings (245,502 thousand euro) mainly comprise office buildings, warehouses and depots used by the Company's organisational units.

Plant and equipment (9,982 thousand euro) mainly relate to VRA stations.

Industrial and commercial equipment (48,515 thousand euro) include motor vehicles (109 thousand euro), ICT infrastructure (2,893 thousand euro), other equipment (20,092 thousand euro), as well as right-of-use assets relating to various equipment amounting to 25,421 thousand euro recognised in accordance with IFRS 16.

A brief description of the main changes during the financial year is given below.

Investments recorded during the financial year, amounting to 29,398 thousand euro, net of the adoption of IFRS 16 investments for an amount of 45,733 thousand euro, mainly consist of external costs for materials and services and primarily relate to office buildings and industrial and commercial equipment.

Depreciation and amortisation incurred in the year (39,396 thousand euro) refer to economic and technical depreciation and amortisation determined on the basis of the useful life of the assets or their remaining possible use by the company.

During the financial year, there were no significant changes in the estimated useful life of assets or in the depreciation rates applied and explained by category in the Measurement Criteria indicated in Consolidated Financial Statements Notes, compared to 31 December 2024.

The depreciation and amortisation, impairment and reversals of impairment losses recorded during the year are recognised in the income statement as operating result components.

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

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”.

No leased property, plant and equipment is recognised in the tangible assets.

During the year, no impairment indicators were identified, nor were any significant changes noted regarding the assessment of the recoverability of the carrying amount of property, plant and equipment.

14) Intangible assets

Intangible assets, which amount to 11,787,886 thousand euro (6,045,158 thousand euro thousand as at 31 December 2024), break down and changed as follows:

	As of 31 December 2024						Total
	Finite useful life			Indefinite useful life			
	Service concession arrangements	Industrial patent rights and intellectual property rights	Work in progress and payments on account IFRIC 12	Work in progress and payments on account	Other Intangible Assets	Goodwill	
(€ thousand)							
Historical cost at 31.12.2023	10,683,250	98,741	123,312	10,516	101,772	9,738	11,027,329
Additions	495,323	619	69,822	4,683			570,447
Government grants	(1,421)		(971)				(2,392)
Disposal	(74,935)						(74,935)
Reclassifications	51,688	682	(51,688)	(682)			
Other changes	(874,964)				137		(874,827)
Historical cost at 31.12.2024	10,278,941	100,042	140,475	14,517	101,909	9,738	10,645,622
Accumulated amortisation at 31.12.2023	(4,668,429)	(93,629)			(101,772)		(4,863,830)
Amortisation	(336,454)	(1,926)			(4)		(338,384)
Disposal	42,022						42,022
Other changes	575,364						575,364
Accumulated amortisation at 31.12.2024	(4,387,497)	(95,555)			(101,776)		(4,584,828)
Accumulated impairments at 31.12.2023	(26,687)						(26,687)
Uses	11,051						11,051
Accumulated impairments at 31.12.2024	(15,636)						(15,636)
Net balance at 31.12.2023	5,988,134	5,112	123,312	10,516		9,738	6,136,612
Net balance at 31.12.2024	5,875,808	4,487	140,475	14,517	133	9,738	6,045,158

(€ thousand)	As of 31 December 2025						Total
	Finite useful life					Indefinite useful life	
	Service concession arrangements	Industrial patent rights and intellectual property rights	Work in progress and payments on account IFRIC 12	Work in progress and payments on account	Other Intangible Assets	Goodwill	
Historical cost at 31.12.2024	10,278,941	100,042	140,475	14,517	101,909	9,738	10,645,622
Additions	597,491	241	110,116	5,257			713,105
Government grants	(5,491)						(5,491)
Disposal	(78,491)						(78,491)
Mergers	8,920,820	297,284	54,626		15,644	522,531	9,810,905
Demergers		(282,018)		(51)			(282,069)
Reclassifications	145,808	973	(67,911)	973	(77,897)		
Other changes	(551,121)	656	(6,821)	2,105	(16)	(21,950)	(577,147)
Historical cost at 31.12.2025	19,307,957	117,178	230,485	20,855	39,640	510,319	20,226,434
Accumulated amortisation at 31.12.2024	(4,387,497)	(95,555)			(101,776)		(4,584,828)
Amortisation	(398,286)	(2,065)			(156)		(400,507)
Disposal	42,467						42,467
Mergers	(3,626,933)	(253,249)			(9,812)		(3,889,994)
Demergers		239,275					239,275
Reclassifications	(77,764)				77,764		
Other changes	240,008	461			18		240,487
Accumulated amortisation at 31.12.2025	(8,208,005)	(111,133)			(33,962)		(8,353,100)
Accumulated impairments at 31.12.2024	(15,636)						(15,636)
Uses	19,512						19,512
Mergers	(81,079)	(361)	(7,367)				(88,807)
Demergers		361					361
Other changes	382		(407)		(853)		(878)
Accumulated impairments at 31.12.2025	(76,821)		(7,774)		(853)		(85,448)
Net balance at 31.12.2024	5,875,808	4,487	140,475	14,517	133	9,738	6,045,158
Net balance at 31.12.2025	11,023,131	6,045	222,711	20,855	4825	510,319	11,787,886

The item Investments, amounting to 713,105 thousand euro, includes technical investments made during the year (707,617 thousand euro, mainly relating to network extension and extraordinary maintenance and the replacement of meters) and investments in other intangible assets amounting to 5,488 thousand euro.

Service concession Agreements including the related work in progress, amounting to 11,245,842 thousand euro (6,016,283 thousand euro as at 31 December 2024), refer to agreements between the public and private sectors on the development, financing, management and maintenance of infrastructure under concession by a contracting party. The provisions relating to the service concession agreements are applicable for the Company in its role as a public service natural gas distributor in Italy, i.e. they are applicable to the agreements under which the operator is committed to providing the public natural gas distribution at the tariff established by the Authority, holding the right to use the infrastructure, which is controlled by the grantor, for the purposes of providing the public service.

The item Mergers, amounting to 5,712,561 thousand euro, relates to the effect of the incorporation of 2i Rete Gas into Italgas Reti.

Work in progress and payments on account IFRIC 12 for 222,711 thousand euro (140,475 thousand euro at 31 December 2024) mainly refers to new networks under construction and digitisation of natural gas distribution networks.

Industrial patent rights and intellectual property rights of 6,045 thousand euro (4,487 thousand euro as at 31 December 2024) mainly concern information systems and applications in support of operating activities.

Other intangible assets, amounting to 4,825 thousand euro (133 thousand euro as at 31 December 2024), mainly relate to costs associated with the incorporation of 2i Rete Gas.

Intangible assets with an undefined useful life of 510,319 thousand euro (9,738 thousand euro as at 31 December 2024) and mainly relate to goodwill arising from the allocation process carried out in business combinations. The increase during the financial year mainly relates to the merger of 2i Rete Gas into Italgas Reti; as described in the section on corporate transactions, the assets and liabilities of 2i Rete Gas were

recognised | continuity of values with those reported in the consolidated financial statements of the common group (as Business combination under common control).

The decrease of €21,950 thousand relates to the portion of goodwill associated with assets held for sale.

Accumulated impairment losses, amounting to 85,448 thousand euro (15,636 thousand euro as at 31 December 2024), mainly relates to service concession arrangements and metering instruments, the utilization of which over the course of the year is linked to the disposals made during the financial year of metering instruments that were not working, in advance of their useful life end.

Advanced research and development costs for the period are included in the item Work in progress and include the costs incurred for the development of the meter developed in-house, Nimbus.

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

Impairment test

The carrying amount of property, plant and equipment and intangible assets is periodically revised as per IAS 36, which requires to assess the existence of impairment indicators. In the case of goodwill, intangible assets with an indefinite useful life or intangible assets not yet available for use, this assessment is done at least once a year and whenever there is an indication of possible impairment.

As envisaged by IAS 36, the recoverability of the values recognised is verified by comparing the carrying amount of the net invested capital recognised in the financial statements referring to each CGU, including goodwill where present, with the recoverable amount, determined as the higher of value in use of the asset in its current condition and the value obtainable from selling the asset (fair value), less costs to sell.

In 2025, the impairment test was performed for the only cash-generating unit ("CGU") identified, namely Gas distribution and metering and other gases.

Goodwill of 510,319 thousand euro was recognised following business combination and is allocated to the CGU that benefits from the synergies arising from the acquisition; the caption increased compared with the comparative year as a result of the acquisition of 2i Rete Gas; for details on how RAB⁶ is determined, please refer to paragraph 5, 'Use of estimates'

The use of the RAB for estimating recoverable amount is a generally accepted method in regulated utility sectors.

The results of the test revealed significant headroom relative to the carrying amounts of the assets being tested, and no impairment losses were identified.

15) Equity investments

Equity investments in subsidiaries, associates and joint ventures, which amount to 63,857 thousand euro (57,609 thousand euro as at 31 December 2024), break down and changed as follows:

(€ thousand)	Balance as at 31.12.2024	Acquisitions and subscriptions	Sales	Impairment	Value adjustments/reclassifications	Balance as at 31.12.2025
Equity investments in subsidiaries						
Medea S.p.A.	57,479	34				57,513
Cilento Reti Gas S.r.L.		2,580				2,580
	57,479	2,614				60,093
Equity investments in associates						
Melegnano Energia Ambiente S.r.L.		3,522				3,522
		3,522				3,522
Other companies						
Acqua Campania S.p.A.	119					119

⁶ RAB is the basis for determining service tariffs and, consequently, the cash flows generated by operations. The value of RAB is determined using the revalued historical cost method for fixed assets, and on a flat-rate basis for working capital and severance pay.

Sundry other	11	(11)	123	123
	130	(11)	123	242
	57,609	6,136 (11)	123	63,857

Equity investments are not collateralised. There are no further restrictions to their availability, except for what is established in the loan agreements.

The subsidiaries, joint ventures and associates are broken down in the following table with a comparison between the net book value and the Company's portion of the shareholders' equity:

(€ thousand)

Company name	Shareholders' equity as at 31.12.2025	Result for the financial year 2025	Share of ownership	Company's portion of shareholders' equity at 31.12.2025 (B)	Net book value 31.12.2025 (A)	Difference compared to measurement using the equity method (B-A)
Equity investments in subsidiaries						
Medea S.p.A.	135,581	5,238	51.85%	70,299	57,513	12,786
Cilento Reti Gas S.r.L.	5,195	585	60.0%	3,117	2,580	537
Equity investments in associates and joint ventures						
Melegnano Energia Ambiente S.r.L.(*)	9,002	119	40.0%	3,601	3,522	79

(*) the data refer to the 2024 financial year, as the 2025 figures have not yet been approved by the Company's Board of Directors.

The values of the share of equity shown above refer to the approved/preliminary reporting packages as at 31 December 2025.

Impairment testing of equity investments

As required by IAS 36, the recoverability of equity investments is assessed by comparing their carrying amount recorded in the financial statements with their recoverable amount, determined as the higher of the value that can be obtained from the use of the asset ("value in use") under its current conditions and the amount obtainable from the sale of the asset ("fair value") less costs of disposal ("fair value less cost of disposal").

With reference to the investment in Medea S.p.A., the recoverable amount was estimated using the value in use methodology, determined on the basis of the Discounted Cash Flow (DCF) Method, net of the net financial position.

Expected cash flows for the explicit period 2025–2031 were derived from the 2025–2031 Strategic Plan approved by the Board of Directors of Medea S.p.A. on 27 October 2025, and the terminal value was estimated to be equal to the RAB at the end of the plan period.

The cash flows were discounted using the post-tax weighted average cost of capital (WACC), determined consistently with reference literature and prevailing methodological practices, equal to 4.72% (4.75% as at 31 December 2024).

The main assumptions underlying expected cash flows for the explicit plan period concerned: (i) for revenues relating to municipalities under start-up, consideration was given to the Prime Ministerial Decree of 10 September 2025, published in the Official Gazette on 3 November 2025; (ii) investments for completing the conversion of municipalities using propane-air systems by 2029; (iii) moreover, the RAB value considered as terminal value corresponds to the value of investments incurred at the end of the plan period; this estimate assumes that, within the residual life of the assets, the number of delivery points (PDR) connected to the distribution network in the municipalities under start-up allows for full recognition of the related investments for RAB purposes.

No impairment losses emerged from the test performed.

16) Pre-paid taxes

Prepaid taxes, amounting to 46,168 thousand euro (8,571 thousand euro as at 31 December 2024), are presented net of offsettable deferred tax liabilities amounting to 453,293 thousand euro.

There are no deferred taxes which cannot be offset.

Prepaid taxes and deferred tax liabilities are analysed below according to the nature of the most significant temporary differences:

(€ thousand)	Opening balance	Provisions	Uses	Impacts recorded in equity	Other changes	Closing balance	of which: IRES	of which: IRAP
Deferred tax liabilities	206,281	1,212	(26,272)	(1,199)	273,270	453,292	402,622	50,670
Amortisation and depreciation exclusively for tax purposes	120,401	24	(7,625)		(637)	112,163	106,353	5,810
Revaluations of property, plant and equipment	78,682		(10,752)		143,481	211,411	178,266	33,145
Capital gains subject to deferred taxation	2,669		(1,501)		304	1,472	1,472	
Employee benefits	997		(50)	166	940	2,053	2,058	(5)
Capitalisation of financial expense	1,968		(121)			1,847	1,572	275
Impairment losses on receivables in excess of tax deductibility	1,564	1,188	(6,223)	(1,365)	129,182	124,346	112,901	11,445
Prepaid taxes	(214,852)	(28,853)	29,605	1,637	(286,997)	(499,460)	(470,520)	(28,940)
Provisions for risks and charges and other non-deductible provisions	(22,675)	(1,980)	19,035		(53,417)	(59,037)	(50,171)	(8,866)
Non-repayable and contractual grants	(53,323)		1,450		(25,022)	(76,895)	(66,632)	(10,263)
Non-deductible amortisation and depreciation	(125,871)	(25,843)	7,953		(196,870)	(340,631)	(332,913)	(7,718)
Employee benefits	(8,074)	(583)	459	(259)	(6,228)	(14,685)	(12,544)	(2,141)
Other temporary differences	(4,909)	(447)	708	1,896	(5,460)	(8,212)	(8,260)	48
Net deferred tax assets	(8,571)	(27,641)	3,333	438	(13,727)	(46,168)	(67,898)	21,730

Prepaid taxes and deferred tax liabilities are classified as non-current.

It should be noted that there are no deductible temporary differences, tax losses and unused tax credits for which, in the financial position, the deferred tax asset is not recognized.

It should also be noted that the column “Other changes” includes prepaid taxes and deferred tax liabilities relating to the merged of 2i Rete Gas S.p.A.

Current taxes and the related impact on profit or loss are described in the paragraph “Income taxes”.

17) Other non-current financial assets/liabilities

The value of other non-current financial assets, amounting to 839 thousand euro, relates to the derivative hedging future payment flows in USD on Picarro invoices. As at 31 December 2025, no non-current financial liabilities are recognised.

18) Assets/liabilities held for sale

(€ thousand)	As of 31 December 2024	As of 31 December 2025
Non-current assets held for sale		280,685
‘ Including Goodwill		21,950
Non-current liabilities held for sale		46,252
		234,433

Non-current assets held for sale, amounting to 280,685 thousand euro and *non-current liabilities held for sale*, amounting to 46,252 thousand euro, mainly relate to the disposal of a defined number of re-delivery points (PdR) in specific ATEMs identified by the Italian Competition Authority (AGCM) following the acquisition of 2i Rete Gas.

On 6 June 2025, the Company published a notice for the sale of control of the activities corresponding to at least 20% of the total re-delivery points in the following ATEMs: Agrigento, Bari 2, Benevento, Brescia 5, Caltanissetta, Campobasso, Caserta 2, Catania 1, Frosinone 2, L’Aquila 2, Mantua 2, Massa Carrara, Matera, Messina 2, Naples 2, Novara 2, Padua 2, Padua 3, Potenza 1, Potenza 2, Ragusa, Reggio di Calabria-Vibo Valentia, Rome 4, Rome 5, Salerno 1, Salerno 3, Teramo, Turin 6, Trapani, Varese 1, Viterbo. Company shall also dispose of control of the activities held in the ATEMs of Barletta-Andria-Trani, Caserta 1, Cosenza 2 and Pisa, corresponding to at least the number of re-delivery points (PdR) that the Company acquired from 2i Rete Gas S.p.A.

The Authority completed the assessment of the suitability of potential buyers and, in accordance with AGCM Measure no. 31476, awarded the gas distribution activities in twelve Territorial Areas (ATEMs), including

Bari 2, Barletta-Andria-Trani, Brescia 5, Campobasso, Frosinone 2, Massa Carrara, Padua 2 and 3, Pisa, Rome 5, Teramo and Viterbo. Having been selected through a competitive procedure, the buyers were Ascopiave S.p.A., Erogasmet S.p.A., GP Infrastrutture S.r.l., and a temporary consortium consisting of Plures (formerly Alia Servizi Ambientali S.p.A.), Estras S.p.A. and Centria S.r.l.

A total of 247,000 re-delivery points will be sold for a total consideration of 253.1 million euro, together with the related networks and service plants, the personnel involved and the assets required for service management. On 1 March 2026, the ATEMs of Bari 2, Barletta-Andria-Trani, Pisa and Teramo were transferred to a temporary consortium comprising Plures, Estras and Centria, for approximately 120,000 active re-delivery points (PdR). The remaining disposals will take place by the second quarter of 2026.

See point 36 - Significant events after year end, for updates on the disposal procedure.

19) Current financial liabilities and non-current financial liabilities

Current financial liabilities, including the current portion of non-current liabilities, amounted to 810,772 thousand euro (100,613 thousand euro as at 31 December 2024), and *non-current financial liabilities* amounted to 6,013,220 thousand euro (3,612,839 thousand euro as at 31 December 2024), and are analysed 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
Financial liabilities due to parent companies	10	90,809	90,819	2,028,577	1,562,439	3,591,016
Lease liabilities (IFRS 16)		9,549	9,549	15,598	5,969	21,567
Other loans		245	245	256		256
	10	100,603	100,613	2,044,431	1,568,408	3,612,839

(€ thousand)	As of 31 December 2025					
	Current liabilities			Non-current liabilities		
	Current liabilities	Current portion of long-term liabilities	Total current liabilities	Non-current portion due within 5 years	Non-current portion due beyond 5 years	Total non-current liabilities
Financial liabilities due to parent companies		94,835	94,835	2,536,544	1,599,880	4,136,424
Bonds		455,925	455,925	718,173	1,036,474	1,754,647
Lease liabilities (IFRS 16)		16,572	16,572	37,679	11,971	49,650
Other loans		243,424	243,424	72,499		72,498
		810,772	810,772	3,364,895	2,648,325	6,013,220

Loans are initially recognised at cost represented by the fair value of the amount received net of incidental charges for obtaining the loan. After this initial recognition, loans are recognised with the amortised cost criterion calculated using the effective interest rate. All financial liabilities are accounted for using the amortised cost method.

Current financial liabilities

Current financial liabilities, amounting to 810,772 thousand euro (100,613 thousand euro as at 31 December 2024), are mainly related to the current portion of long-term liabilities. The increase of 710,159 thousand euro is mainly attributable to the incorporation of 2i Rete Gas into Italgas Reti.

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

Non-current financial liabilities

Non-current financial liabilities, amounting to 6,013,220 thousand euro (3,612,839 thousand euro as at 31 December 2024), increased by 2,400,381 thousand euro compared with the previous financial year. This change is mainly attributable to the incorporation of 2i Rete Gas as a result of the outstanding notes.

The breakdown of the notes, amounting to 2,210,572 thousand euro and recognised following the incorporation of 2i Rete Gas into Italgas Reti, is set out below, indicating the issuing company, the year of issue, the currency, the average interest rate and the maturity.

Bonds:

(€ thousand)

Issuing company	Issue (year)	Currency	Nominal Value	Adjustment to amortised cost	FV Bond	Financing value as at 31.12.2025	Interest accrual as at 31.12.2025	Balance as at 31.12.2025	Rate (%)	Due date (year)
Euro Medium Term Notes										
ITALGAS RETI S.p.A. (formerly 2i Rete Gas)	2017	euro	435,000	(1,786)		433,214	2,586	435,800	1.75%	28 August 2026
ITALGAS RETI S.p.A. (formerly 2i Rete Gas)	2017	euro	730,000	(1,448)	(8,594)	719,958	2,665	722,623	1.61%	31 October 2027
ITALGAS RETI S.p.A. (formerly 2i Rete Gas)	2021	euro	500,000	(5,154)	(38,000)	456,846	13,712	470,558	0.58%	29 January 2031
ITALGAS RETI S.p.A. (formerly 2i Rete Gas)	2023	euro	550,000	(195)	29,800	579,605	1,985	581,590	4.38%	06 June 2033
			2,215,000	(8,582)	(16,794)	2,189,624	20,948	2,210,572		

The bond securities issued by 2i Rete Gas were recognised as part of the business combination under common control, considering the fair value of these instruments as determined at the time of the acquisition by the Company. The difference between this valuation and the nominal amount is presented in the 'FV bond' column.

The breakdown of the loans entered into with Italgas S.p.A., amounting to 4,231,259 thousand euro, is analysed in the table set out below.

(€ thousand)

Type	Issue (year)	Currency	Nominal Value	Amortised cost adjustment	Financing value as at 31.12.2025	Interest accrual as at 31.12.2025	Balance as at 31.12.2025	Rate (%)	Due date (year)
Italgas S.p.A. - Bond repayment	2017	euro	487,500	(623)	486,877	7,508	494,386	1.625%	2027
Italgas S.p.A. - Bond repayment	2017	euro	450,000	(554)	449,446	6,931	456,376	1.625%	2029
Italgas S.p.A. - Bond repayment	2019	euro	500,000	(1,479)	498,521	274	498,795	1.000%	2031
Italgas S.p.A. - Bond repayment	2021	euro	250,000	(194)	249,806		249,806		2028
Italgas S.p.A. - Bond repayment	2021	euro	250,000	(981)	249,019	1,089	250,108	0.500%	2033
Italgas S.p.A. - Bond repayment	2023	euro	300,000	(2,551)	297,449	6,984	304,433	4.125%	2032
Italgas S.p.A. - Bond repayment	2024	euro	325,000	(1,701)	323,299	9,071	332,370	3.125%	2029
Italgas S.p.A. - EIB loan repayment	2017	euro	288,000	(97)	287,903	417	288,320	0.35+Euribor 6M	2037
Italgas S.p.A. - EIB loan repayment	2015	euro	82,667	(128)	82,539	322	82,860	0.14+Euribor 6M	2035
Italgas S.p.A. - EIB loan repayment	2016	euro	175,000	(38)	174,962	540	175,502	0.47+Euribor 6M	2032
ITALGAS S.p.A. - CAIXA BANK loan repayment	2025	euro	300,000	(443)	299,557		299,557	0.67+Euribor 3M	2028
ITALGAS S.p.A. - BBVA loan repayment	2025	euro	300,000	(383)	299,617		299,617	0.70+Euribor 3M	2028
ITALGAS S.p.A. - BNL loan repayment	2025	euro	250,000	(346)	249,654		249,654	0.67+Euribor 3M	2028
ITALGAS S.p.A. - CACIB loan repayment	2025	euro	250,000	(525)	249,475		249,475	0.60+Euribor 3M	2028
			4,208,167	-10,043	4,198,124	33,136	4,231,259		

The breakdown of bank loans, amounting to 315,939 thousand euro is provided in the table below.

(€ thousand)

Type	Issue (year)	Currency	Nominal Value	Amortised cost adjustment	Financing value as at 31.12.2025	Interest accrual as at 31.12.2025	Balance as at 31.12.2025	Rate (%)	Due date (year)
ITALGAS RETI (formerly 2i Rete Gas) - EBI	2015	euro	90,909		90,909	13	90,922	0.59+Euribor 6M	29.12.2030
ITALGAS RETI (formerly 2i Rete Gas) - EBI	2016	euro	70,000		70,000	5	70,005	1.392%	29.12.2026
ITALGAS RETI (formerly 2i Rete Gas) - EBI	2016	euro	155,000		155,000	12	155,012	1.398%	29.12.2026
			315,909		315,909	30	315,939		

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

There were no breaches of loan agreements as at the reporting date. For further information, refer to the following section, 'Financial Covenants and Negative Pledge Contractual Clauses

Breakdown of total financial liabilities by interest rate type

As at 31 December 2025, fixed-rate debt accounted for 74.31% of total financial liabilities (89% as at 31 December 2024), while floating-rate debt stood at 25.69% (11% as at 31 December 2024). The increase in floating-rate liabilities is mainly attributable to the disbursement of new intercompany financing.

The details of the net financial debt are highlighted below.

With reference to the new provisions set out in paragraph 175 *et seq.* of the ESMA Guidelines on disclosure requirements under Regulation (EU) 2017/1129, the Company has amended the prospectus as described below.

Analysis of net financial debt

An analysis 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 December 2025
A. Cash	3,228	10,095
B. Cash equivalents	1,051	1,051
C. Other current financial assets	431,195	374,243
D. Liquidity (A+B+C)	435,474	385,389
E. Current financial debt	10	(16)
F. Current portion of non-current financial debt (*)	100,603	811,039
G. Current financial debt (E+F)	100,613	811,023
<i>of which, related parties</i>	<i>91,456</i>	<i>95,471</i>
H. Net current financial debt (G-D)	(334,861)	425,634
I. Non-current financial debt (excluding the current portion and debt instruments) (*)	3,613,839	4,259,572
J. Debt instruments		1,754,647
K. Trade and other non-current payables		
L. Non-current financial debt (I+J+K)	3,613,839	6,014,219
<i>of which, related parties</i>	<i>3,592,581</i>	<i>4,137,989</i>
M. Net financial debt (H+L)	3,278,978	6,439,853

(*) Includes lease liabilities recognised in accordance with IFRS 16 "Leases", of which 49,650 thousand euro are non-current (22,567 thousand euro as at 31.12.2024), 16,572 thousand euro relate to the current portion of non-current financial debt (9,549 thousand euro as at 31.12.2024) and 1,250 thousand euro relate to assets held for sale.

Net financial debt as at 31 December 2025, including the effects of the application of IFRS 16, of 67,472 thousand euro, amounted to 6,439,853 thousand euro, up by 3,160,875 thousand euro (3,278,978 thousand euro as at 31 December 2024).

Gross financial debt as at 31 December 2025 amounted to 6,825,242 thousand euro (3,714,452 thousand euro as at 31 December 2024) and relate to financial debt due to the parent company Italgas S.p.A. (4,231,259 thousand euro), notes (2,210,572 thousand euro), payables to banks (315,939 thousand euro) and financial debt under IFRS 16 (67,472 thousand euro).

Cash, amounting to 11,146 thousand euro, is held in current accounts and fixed-term deposits that can be immediately liquidated with leading banks.

20) Trade and other payables

Trade and other payables, which amount to 1,224,634 thousand euro (727,467 thousand euro as at 31 December 2024), comprise the following:

(€ thousand)	As of 31 December 2024	As of 31 December 2025
Trade payables	151,558	249,719
Sundry other	575,909	974,915
- related to investing activity	290,397	385,625
- other payables	285,512	589,290
	727,467	1,224,634

Trade payables, amounting to 251,961 thousand euro (151,558 thousand euro as at 31 December 2024), relate to payables to suppliers for the purchase of goods and services and increased by 100,403 thousand euro compared with the previous financial year, mainly due to the merger of 2i Rete Gas.

Sundry other, amounting to 974,915 thousand euro (575,909 thousand euro as at 31 December 2024), comprises:

(€ thousand)	As of 31 December 2024	As of 31 December 2025
Payables for investment activities	290,397	385,625
Payables to CSEA	81,609	278,883
Payables to personnel	17,121	36,397
Payables to the public administration	98,230	227,272
Payables to social security institutions	11,250	17,268
Consolidated tax payables	70,536	12,813
Payables to the VAT Group representative		7,630
Payables to self-employed workers	1,117	2,287
Sundry other	5,649	6,740
	575,909	974,915

Payables for investment activities equal to 385,625 thousand euro (290,397 thousand euro as at 31 December 2024) mainly relate to payables to suppliers for technical activities.

Payables to the CSEA amounting to 278,883 thousand euro (81,609 thousand euro as at 31 December 2024) mainly relate to the ancillary components of tariffs for the gas distribution service to be paid to the Fund (RE, RS, UG1 and GS)⁷ for the remaining amount.

Payables to the public administration (227,272 thousand euro; 98,230 thousand euro as at 31 December 2024) primarily involve payables to municipalities for concession fees for the gas distribution business.

Payables to personnel, amounting to 36,397 thousand euro, involve payables mainly for holidays accrued and not taken, the fourteenth months' pay and performance-related pay.

Payables to related parties are described in Section "Related-party transactions".

The carrying amount of trade payables and other payables is an approximation of the related fair value measurement, given the short period of time between when the payable arises and its due date. For further details to financial instruments, including trade payables and other payables, reference is made to the analyses documented in the paragraph "Guarantees, commitments and risks".

21) Other current and non-current non-financial liabilities

Other current and non-current non-financial liabilities are broken down as follows:

(€ thousand)	As of 31 December 2024			As of 31 December 2025		
	Current	Non-current	Total	Current	Non-current	Total
Other liabilities from regulated activities		420,172	420,172		1,054,066	1,054,066
Other liabilities						
- Other tax liabilities	5,208		5,208	9,138		9,138
- Liabilities for security deposits		11,059	11,059		36,587	36,587
- Accrued expenses and deferred income	63		63	3,752		3,752

⁷ These components refer to: (i) RE - Variable portion to cover the expenses for calculating and implementing energy savings and the development of renewable energy sources in the natural gas sector; (ii) RS - Variable portion as coverage for expenses for gas services quality; (iii) UG1 - Variable portion to cover any imbalances in the equalisation system and to cover any adjustments; and (iv) GS - Variable portion to cover the tariff compensation system for economically disadvantaged customers.

5,271	431,231	436,502	12,890	1,090,653	1,103,543
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Other non-current liabilities, totalling 1,090,653 thousand euro, regard connection contributions. As outlined in the note to the item “Non-current intangible assets”, as at 31 December 2025 the other non-current liabilities include the quotas of the connection and connection contributions deferred to future financial years. The quota of contributions pertaining to the financial year amounted to 26,919 thousand euro and is recognised as at 31 December 2025 in the item “Revenues”.

Other current tax liabilities, amounting to 9,138 thousand euro (5,208 thousand euro as at 31 December 2024), relate to VAT payables of 187 thousand euro (187 thousand euro as at 31 December 2024), IRPEF withholdings on employment income of 8,820 thousand euro (5,034 thousand euro as at 31 December 2024) and other taxes of 131 thousand euro (13 thousand euro as at 31 December 2024).

The remaining item, amounting to 3,752 thousand euro, mainly relates to prepaid insurance premiums and rental fees.

22) Provisions for risks and charges

Provisions for risks and charges, amounting to 100,715 thousand euro (64,457 thousand euro as at 31 December 2024) comprise the following:

(€ thousand)	Opening balance as at 31.12.2024	Provisions	Discounting	Uses against charges	Releases	Other changes	Closing balance as at 31.12.2025
Provisions for environmental risks and charges	42,896		(608)	9,660		8,050	40,678
Risk provision for litigation	5,447	2,714		808	2,643	3,204	7,914
Provisions for other risks - energy efficiency certificates	3,503	414		3,793		1,129	1,253
Provision for retirement risks	3,765			4,988		6,081	4,858
Other personnel risk provisions	1,429	35		135		(900)	429
Risk provision for tax disputes	389			34			355
Provision for risks on concessions	4,011	2,035		620		26,982	32,408
Other provisions	3,017	46		1,496	1,389	12,642	12,820
	64,457	5,244	(608)	21,534	4,032	57,188	100,715

Provision for environmental risks and charges of 40,678 thousand euro (42,896 thousand euro as at 31 December 2024) mainly included costs for environmental soil reclamation, pursuant to Law no. 471/1999, as subsequently amended, primarily for the disposal of solid waste, in relation to the gas distribution business. The decrease, amounting to 2,218 thousand euro, is mainly due to uses against charges for the financial year, partially offset by the increase relating to the new scope resulting from the merger of 2i Rete Gas.

The provision is discounted using a risk-free rate as required by IAS 37 in view of a projected disbursement forecast until 2048. This curve, also considering the wider basket available, makes it possible to represent the specific events of the Company in the best possible way. The maximum rate determined in this manner was 3.14%. The value of future costs was adjusted for inflation to current prices on the basis of a medium to long-term inflation curve, net of the x-factor, equal to 2.1%.

The provision for litigation, amounting to 7,914 thousand euro (5,447 thousand euro as at 31 December 2024) included costs which the Company has estimated it will incur for existing lawsuits. This provision also includes the provision for personnel disputes, amounting to 1,699 thousand euro (1,593 thousand euro as at 31 December 2024), and the provision for external personnel litigation, amounting to 597 thousand euro (550 thousand euro as at 31 December 2024).

The provision for early retirement (4,858 thousand euro) involves personnel incentive and mobility schemes for the 2021-2025 period.

The Energy Efficiency Certificates (EEC) risk provision, totalling 1,253 thousand euro (3,503 thousand euro as at 31 December 2024) represents the estimated provision recognized by the Company in relation to the obligation to comply with TEE delivery targets associated with gas distribution operations.

The provision for tax litigation amounts to 355 thousand euro (389 thousand euro as at 31 December 2024) and includes charges that the Company has estimated it will incur in relation to tax assessment notices and ongoing disputes.

The provision for contractual risks and other personnel-related provisions, amounting to 429 thousand euro (1,429 thousand euro as at 31 December 2024), mainly relate to mobility, social security contribution relief and other personnel-related items.

Other provisions amounting to 12,820 thousand (3,017 thousand as at 31 December 2024) relate to the estimated charges for various legal disputes associated with gas distribution activities.

Provisions recognised during the financial year (5,244 thousand euro) mainly relate to legal and personnel disputes (2,749 thousand euro, respectively) and disputes with granting authorities (2,035 thousand euro).

Uses against charges amounting to 21,534 thousand euro mainly relate to legal and personnel disputes (808 thousand euro), environmental charges (9,660 thousand euro), the achievement of energy efficiency targets (TEEs) set by the Authority (3,793 thousand euro), personnel-related items (5,123 thousand euro) and disputes with granting authorities (620 thousand euro).

Releases for surplus provisions amounting to 4,032 thousand euro mainly relate to the provision for legal disputes (2,643 thousand euro).

The item “Other changes” mainly includes the amounts arising from the merger of 2i Rete Gas.

In accordance with ESMA Recommendation 2015/1608 of 27 October 2015, the effects on provisions of risks and charges arising from a reasonably possible change to the discount rate used at year-end are shown below.

The sensitivity analysis on the discounting rates shows the change in value of the actuarial liabilities obtained with the year-end assessment data, by changing the discounting rate, without prejudice to other hypotheses.

(€ thousand)	% change in discounting rates	
	10% decrease	10% increase
Effect on net obligation as at 31.12.2025		
Provisions for environmental risks and charges	382	(373)

23) Provisions for employee benefits

Provisions for employee benefits, amounting to 59,979 thousand euro (40,380 thousand euro as at 31 December 2024) comprise the following:

(€ thousand)	As of 31 December 2024	As of 31 December 2025
Employee severance pay (TFR)	28,012	42,061
Supplementary healthcare provision for company executives of Eni (FISDE)	4,623	5,416
Gas Fund	6,621	10,193
Other provisions for employee benefits	1,124	2,309
	40,380	59,979

The provision for employee severance pay, amounting to 42,061 thousand euro (28,012 thousand euro as at 31 December 2024), governed by art. 2120 of the Italian Civil Code, includes the estimated liability determined on the basis of actuarial procedures for the amount to be paid to employees at the time that the employment is terminated. The principal amount of the benefit is equal to the sum of portions of the allocation calculated on compensation items paid during the employment and revalued until the time that such relationship is terminated. Due to the legislative changes introduced from 1 January 2007 for companies with more than 50 employees, a significant part of severance pay to be accrued is classified as a defined-contribution plan since the company's only obligation is to pay the contributions to the pension funds or to INPS. Liabilities related to severance pay pre-dating 1 January 2007 remain a defined-benefit plan to be valued using actuarial methods.

The supplementary health fund for executives (FISDE), amounting to 5,416 thousand euro (4,623 thousand euro as at 31 December 2024), includes the estimate of charges, determined on an actuarial basis, relating to contributions payable to the fund benefiting current and retired executives.

FISDE provides financial supplementary healthcare benefits to Eni Group executives and retired executives whose most recent contract of employment was as an executive with the Eni Group. With reference to Italgas, executives appointed up to October 2012 are enrolled in FISDE. For executives appointed after that date, enrolment in a supplementary health fund classified as a defined contribution plan is provided for. Italgas is also assessing possible solutions regarding the identification of a group-level supplementary health fund. FISDE is funded through the payment of: (i) contributions from member companies; (ii) contributions from

individual members for themselves and their immediate family; and (iii) ad hoc contributions for specific benefits. The amount of the liability is determined on the basis, as an approximation of the estimated healthcare expenses paid by the fund, of the contributions paid by the company.

The Gas Fund, amounting to 10,193 thousand euro, relates to the estimate, made on an actuarial basis, of the charges sustained by the employer due to the elimination, as at 1 December 2015, of the Gas Fund pursuant to Law 125 of 6 August 2015. In particular, Articles 9-decies and 9-undecies of the Law stipulate that the employer must cover: (i) an extraordinary contribution to cover expenses related to supplementary pension benefits in place at the time of the elimination of the Gas Fund for the years 2015 to 2020. Art. 9-quinquiesdecies stipulates that "If monitoring shows that the extraordinary contribution pursuant to subsection 9-decies is insufficient to cover the relative expenses, a decree issued by the Ministry of Labour and Social Policy, in agreement with the Ministry of Economic Development and the Ministry of Economy and Finance, provides for the redetermination of the extraordinary contribution, the criteria for redistribution of the contribution between employers and the time periods and procedures for payment of the extraordinary INPS contribution"; (ii) a contribution in favour of those registered or in voluntary continuation of the contribution, that as at 30 November 2015 were not entitled to supplementary pension benefits from the eliminated Gas Fund, of 1% for each year of registration in the supplementary fund, multiplied by the social security tax base relating to the same supplementary fund for 2014, to be allocated through the employer or the supplementary pension scheme. Employee selection of where the amounts would be allocated (supplementary pension scheme or to the employer) were concluded, pursuant to the law, on 14 February 2016.

The other provisions for employee benefits, totalling 2,309 thousand euro (1,124 thousand euro as at 31 December 2024) relate to seniority bonuses and the deferred cash incentive plan (DCI).

The corresponding obligations are determined using an actuarial valuation method and are discounted by applying a rate defined on the basis of yields on bonds issued by leading companies. Remeasurements of the liability (net asset) are recognised entirely in profit or loss.

The Deferred Monetary Incentive Plans (IAS 19) are granted to executives who achieved the targets set in the year preceding the year of allocation and provide for the award of a base incentive payable after three years in a variable amount depending on corporate performance achieved during the three-year period following allocation, not linked to the share price. The benefit is recognised when the Company's obligation towards the employee arises. The estimate is reviewed in subsequent financial years based on actual performance and the update of earnings forecasts (above or below target).

The Long-Term Incentive plans, which replaced the preceding stock option allocations, involve the payment, three years after allocation, of a variable cash bonus tied to a measure of company performance. Obtaining the benefit depends on the achievement of certain future performance levels and is conditional on the beneficiary remaining with the Company for the three-year period following the allocation (the "vesting period"). This benefit is allocated pro rata over the three-year period depending on the final performance parameters.

Seniority bonuses are benefits paid upon reaching a minimum service period at the Company and are paid in kind. Deferred cash incentive plans, long-term cash incentive plans and seniority bonuses are classified as other long-term benefits pursuant to IAS 19.

The composition of and changes in provisions for employee benefits, determined by applying actuarial methods, are as follows⁸:

(€ thousand)	As of 31 December 2024					As of 31 December 2025				
	Employee severance fund	FISDE	Gas Fund	Other provisions	Total	Employee severance fund	FISDE	Gas Fund	Other provisions	Total
Current value of the obligation at the start of the year	31,009	5,005	6,858	1,425	44,297	28,012	4,623	6,621	1,124	40,380
Current cost		38		271	309		31		148	179
Cost for interest	867	159	246	40	1,312	939	151	231	33	1,354
Revaluations / (Impairment):	28	(579)	821	(216)	54	526	(751)	(121)		(346)
- Actuarial (Gains) / Losses resulting from changes in the demographic assumptions	130		552		682			(76)		(76)

⁸ The table also provides a reconciliation of liabilities recorded for provisions for employee benefits.

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- Actuarial (Gains) / Losses resulting from changes in the financial assumptions	165	(119)	(87)	(41)	758	(530)	(45)	1,140	1,323	
- Actuarial (Gains) / Losses from past experience adjustments	(268)	(460)	462	(37)	(303)	(232)	(221)		(453)	
- Other changes										
Paid benefits	(3,942)		(1,417)	(575)	(5,934)	(6,370)		(1,389)	(136)	(7,767)
Effect of transfers	51		7		58	18,954	1,362	4,851		25,167
Current value of the obligation at the end of the year	28,012	4,623	6,621	1,124	40,380	42,061	5,416	10,193	2,309	59,979

The costs relating to liabilities for employee benefits, measured using actuarial assumptions, are posted to the income statement.

The main actuarial assumptions used to determine liabilities at the end of the year and to calculate the cost for the following year are indicated in the table below.

	As of 31 December 2024				As of 31 December 2025			
	Employee severance fund	FISDE	Gas Fund	Other provisions	Employee severance fund	FISDE	Gas Fund	Other provisions
Discount rate (%)	2.67	3.26	2.63	2.83	2.90	3.88	2.75	3.88
Inflation rate (%)	1.60	1.70	NA	1.80	1.60	1.70	NA	1.75

The discount rate adopted was determined by considering the yields on corporate bonds issued by Eurozone companies with AA ratings.

The employee benefit plans recognised by the Company are subject, in particular, to interest rate risk, in the sense that a change in the discount rate could result in a significant change in the liability.

The sensitivity of the discount rate represents the change in the value of the actuarial liability obtained using the end-of-year valuation data, changing the discount rate by a certain number of basis points, without any change in the other assumptions.

The effects of a reasonably possible change⁹ in the discount rate (+/-0.5% change) at the end of the year show no substantial changes.

(€ thousand)	Discount rate			
	reduction		increase	
	%	amount	%	amount
Effect on net obligation at 31.12.2025				
Employment severance pay	2.40	1,009	3.40	(1,430)
FISDE	3.38	183	4.38	(237)
Gas Fund	2.13	133	3.13	(319)
Other provisions for employee benefits	3.88	90	4.38	(101)
		1,415		(2,087)

The maturity profile of the obligations for employee benefit plans is shown in the following table:

(€ thousand)	As of 31 December 2024					As of 31 December 2025				
	Employee severance fund	FISDE	Gas Fund	Other provisions	Total	Employee severance fund	FISDE	Gas Fund	Other provisions	Total
Within the next year	8,283	306	1,031	144	9,764	13,959	275	2,570	270	17,074
Within five years	11,038	2,715	4,197	529	18,479	23,384	902	5,322	1,273	30,881
After five years	8,691	1,602	1,393	451	12,137	4,718	4,239	2,301	766	12,024
	28,012	4,623	6,621	1,124	40,380	42,061	5,146	10,193	2,309	59,979

⁹ With reference to the FISDE, any changes relating to mortality do not have significant effects on the liability.

24) Shareholders' equity

Shareholders' equity, which amounts to 5,232,544 thousand euro (2,965,643 thousand euro as at 31 December 2024) breaks down as follows:

(€ thousand)	As of 31 December 2024	As of 31 December 2025
Share capital	252,263	252,263
Legal reserve	57,428	57,428
Share premium reserve	45,525	45,525
Revaluation reserve pursuant to Law no. 413/91	11,684	11,684
Revaluation reserve pursuant to Law no. 342/00 – years 2000-2003	553,591	553,591
Voluntary reserve	1,044	1,044
OCI Reserve for valuation of equity investments at fair value	174	174
OCI Reserve for remeasurement of defined-benefit plans for employees	(8,413)	(8,650)
Merger reserve	389,891	2,520,669
Capital contributions prior to 1993	14,743	14,743
Stock grant reserve	1,234	1,004
Capital contributions	35,781	35,781
Reserve for first IFRS application pursuant to Article 7, subsection 7 of Decree Law no. 38/05	294,720	294,720
Retained earnings	904,840	883,911
Profit for the year	411,138	568,751
	2,965,643	5,232,638

Share capital

As at 31 December 2025, the Company's share capital consisted of 252,263,314 ordinary shares with a nominal value of 1 euro each, fully paid up and entirely held by Italgas S.p.A., unchanged compared with the previous financial year.

Legal reserve

Amounted to 57,428 thousand euro and are unchanged compared with the previous year.

Share premium reserve

The Share premium reserve, amounting to 45,525 thousand euro, did not change compared with the corresponding period of the previous year.

Reserve for first IFRS application pursuant to Article 7, subsection 7 of Decree Law no. 38/05

The Reserve for first IFRS application pursuant to art. 7, subsection 7 of Decree Law no. 38/05 totalled 294,720 thousand euro.

OCI Reserve for remeasurement of defined-benefit plans for employees

The reserve for employee benefit plans (-8,650 thousand euro) was established following amendments to the international accounting standard IAS 19 "Provisions for employee benefits", which came into force on 1 January 2013. This reserve includes the unrecognised actuarial gains and losses recorded in other comprehensive income, net of the related tax.

The changes in the reserve during the course of the year are shown below:

(€ thousand)	Gross value	Tax effect	Net value
Remeasurement of defined-benefit plans for employees	(14,066)	5,416	(8,650)
Reserve as at 31 December 2025	(14,066)	5,416	(8,650)

Other reserves other than those previously indicated

Other reserves mainly include merger reserves amounting to 2,520,669 thousand (an increase of 2,130,778 thousand compared with 31 December 2024, primarily following the incorporation of 2i Rete Gas into Italgas Reti), revaluation reserves of 565,275 thousand, capital contribution reserves of 50,524 thousand, an optional reserve of 1,044 thousand, a fair value reserve relating to equity investments of 174 thousand, and a stock grant reserve of 1,004 thousand.

The latter includes the valuation in accordance with IFRS 2 of the co-investment plans approved by the Shareholders' Meeting of the parent company Italgas S.p.A.

Retained Earnings

They amounted to 883,911 thousand euro and decrease by 17,962 thousand euro compared with the previous financial year as a result of the effect on equity of the demerger of the IT business unit in favour of Bludigit (48,850 thousand euro) and the distribution of an extraordinary dividend resolved by the Shareholders' Meeting of 19 December 2025 in favour of the parent company Italgas S.p.A. for 31,000 thousand euro, partially offset by the allocation of retained earnings for the 2024 financial year (61,138 thousand euro).

Dividends

The Ordinary Shareholders' Meeting of Italgas Reti resolved on 22 April 2025 to distribute profit in the amount of 350,000 thousand euro and to allocate the remaining profit, amounting to 61,138 thousand euro, to the item Retained earnings. The dividend was paid to the parent company Italgas S.p.A. on 18 June 2025.

On 18 December 2024, the Shareholders' Meeting resolved to distribute an extraordinary dividend of 31.0 million euro in favour of the parent company Italgas S.p.A.

Breakdown of equity by origin, possible use and possible distribution:

(€ thousand)	Amount	Possible use	Portion available
SHARE CAPITAL	252,263		
CAPITAL RESERVES			
Share premium reserve	45,525	A, B, C	45,525
Revaluation reserves	565,275	A, B, C	565,275
PROFIT RESERVES			
Legal reserve	50,453	B	
Legal reserve	6,975	A, B, C	6,975
Reserve for capital contributions	50,524	A, B, C	50,524
Merger reserves	2,520,669	A, B, C	2,520,669
Voluntary reserve	1,044	A, B, C	1,044
Stock grant reserve	1,005	B	1,005
Reserve for remeasurement of benefit plans for employees IAS 19	(8,774)		(8,774)
Fair value valuation reserve for equity investments	174	B	174
Reserve for first IFRS application pursuant to Article 7, subsection 7 of Decree Law no. 38/05	294,720		294,720
Retained earnings	883,911	A, B, C	883,911
	4,411,501		
Non-distributable portions			346,352
Residual distributable portion			4,065,149

LEGEND

A: available for right issue

B: available to hedge losses

C: available for distribution to shareholders

Equity includes reserves under tax suspension amounting to 1,282,406 thousand euro.

Furthermore, in relation to amortisation, impairment losses, as well as provisions and releases deducted solely for tax purposes, reserves amounting to 234,823 thousand euro are restricted pursuant to Article 109, paragraph 4, letter b, of Presidential Decree no. 917/86.

25) Guarantees, commitments and risks

Guarantees, commitments and risks, amounting to 1,334,635 thousand euro (1,080,283 thousand euro as at 31 December 2024) comprise:

(€ thousand)	As of 31 December 2024	As of 31 December 2025
Bank guarantees	167,411	267,224
Commitments	695,518	854,583
Commitments for the purchase of goods and services	695,518	854,583
Risks	217,354	212,828
compensation and litigation	217,354	212,828
	1,080,283	1,334,635

Guarantees

Guarantees of 267,224 thousand euro refer mainly to guarantees issued with regard to sureties and other guarantees issued in the favour of subsidiaries.

Commitments

As at 31 December 2025, commitments amounted to 854,583 thousand euro. Commitments with suppliers to purchase property, plant and equipment and provide services relating to the purchase of property, plant and equipment and intangible assets under construction amounted to 854,583 thousand euro.

In addition, the residual commitments made by Italgas Reti with the Contracting Authorities for the implementation of investments arising from the awarding of gas distribution service area tenders amount to approximately 1,183 million euro. Furthermore, Italgas Reti 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 around 24.6 million euro.

Other unvalued commitments

The acquisition of the equity investment of Enerco Distribuzione by 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, 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.

Risks

Risks concerning compensation and litigation (212,828 thousand euro) relate to possible (but not probable) claims for compensation arising from ongoing litigation, for which Management has assessed a low probability that the pertinent economic risk will arise.

FINANCIAL RISK MANAGEMENT

Foreword

There follows a description of Italgas Reti’ policies and principles for the management and control of the risks arising from the financial instruments listed above.

Information on other risks affecting the business (operational risk and risks specific to the segment in which Italgas Reti operates) can be found in the “Elements of risk and uncertainty” section of the Directors’ Report.

Interest rate risk

Fluctuations in interest rates affect the market value of Italgas’ financial assets and liabilities and its net financial expense. Italgas Reti has adopted a centralised organisational model. In accordance with this

model, the various departments of Italgas S.p.A. access the financial markets (banking channel) and use funds to cover financial requirements, in compliance with approved objectives, ensuring that the risk profile stays within the defined limits.

Italgas Reti undertakes financial transactions with the parent company Italgas S.p.A., which carries out financial activities on behalf of the Group companies, as a result of an agreement on the basis of which it covers the Company's financial requirements and use of liquidity. As at 31 December 2025, fixed-rate debt accounted for 76.9% of total financial liabilities (89% as at 31 December 2024), while floating-rate debt stood at 23.1% (11% as at 31 December 2024). As at the same date Italgas used external financial resources in the following forms: bonds subscribed by institutional investors, bilateral and syndicated loans with banks and other financial institutions, in the form of medium-to-long-term loans and bank credit lines at interest rates indexed to benchmark market rates, in particular the Europe Interbank Offered Rate (Euribor). Therefore, 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.

The Company, in coordination with the functions of Italgas S.p.A., regularly assesses its exposure to interest rate risk. The Group manages this risk through the use of derivative financial instruments, in accordance with its risk management guidelines.

Credit risk

Credit risk is the Company's 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 Company financial results and financial situation.

Italgas Reti provides its distribution services to 329 sales companies.

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

The rules for customer access to the gas distribution service are established by the 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. As already analysed in the paragraph "Trade receivables and other receivables", to which reference is made for details, overdue receivables as at 31 December 2025 amounted to 43,118 thousand euro (9,207 thousand euro as at 31 December 2024).

As at 31 December 2025 there were no significant credit risks. It should be noted, however, that on average 98.08% of trade receivables are settled at maturity and more than 99.69% within the following four days, confirming the primary reliability of business customers. In order to manage risk, the Company has established procedures for monitoring and assessing its customer portfolio. The reference market for Italgas Reti's customers is the Italian market.

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.

As at the reporting date, no negative impacts are expected in relation to liquidity risk for the following reasons: (i) the Company holds cash deposits with leading credit institutions amounting to 10,896 thousand euro as at 31 December 2025; (ii) Italgas Reti is entirely financed through loans from the parent company Italgas S.p.A., which carries out treasury activities on behalf of the Group companies under an agreement pursuant to which it covers the Company's funding requirements and manages its cash balances.

The objective of Italgas Reti is to achieve a financial structure, in terms of the ratio between debt and the Regulatory Asset Base (RAB), between short-term and medium- to long-term debt and between fixed-rate and floating-rate debt, that ensures, in line with business objectives, an adequate level of liquidity, minimising the related opportunity cost and maintaining a balance in terms of the maturity and composition of the debt.

Future payments for financial liabilities

The table below shows the repayment plan contractually established in relation to the financial debt and liabilities for leased assets, including interest payments.

(€ thousand)	Due date						TOTAL
	2026	2027	2028	2029	2030	Beyond	
Financial liabilities							
Financial liabilities due to the parent companies	94,835	399,551	1,348,109	788,883		1,599,881	4,231,259
Bank loans	243,411	18,182	18,182	18,182	17,951		315,938
Bonds	455,925	718,173				1,036,474	2,210,572
Interest on notes	46,356	38,743	26,990	26,990	26,900		166,069
Interest on loans	309,600	83,135	66,727	50,864	39,256	53,256	602,838
Lease liabilities (IFRS 16)	16,572	11,589	10,293	9,255	6,542	11,971	66,222
Interest on lease liabilities (IFRS 16)		959	650	367	139	122	2,237
	1,166,699	1,270,332	1,470,951	894,541	90,788	2,701,704	7,595,015

Market value of financial instruments

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

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

In connection with the above, the classification of assets and liabilities measured at fair value in the statement of financial position according to the fair value hierarchy concerned IRS and foreign exchange derivative instruments, classified at Level 2 and recognised under the headings “Other current and non-current financial assets” and “Other current and non-current financial liabilities”.

Equity investments measured at fair value with effects posted to the income statement fall under fair value category level 3.

Other information on 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	
	Balance as at 31.12.2024	Balance as at 31.12.2025	Balance as at 31.12.2024	Balance as at 31.12.2025	Balance as at 31.12.2024	Balance as at 31.12.2025
Financial instruments measured at amortised cost						
- Cash	4,279	11,146				
- Current financial assets	431,195	374,243				
- Trade receivables and other receivables	620,085	1,065,364				
- Non-current financial assets	306,049	310,046				
- Other current and non-current non-financial assets	148,951	211,235				
- Trade and other payables	727,912	1,224,634				
- Financial debt	3,713,452	6,823,975	(61,488)	(130,823)		
- Other current and non-current non-financial liabilities	436,502	1,103,542				
- Financial instruments measured at fair value						
- Other investments	6,423	8,642				
- Financial assets (liabilities) for hedge derivative contracts	1,612	1,291			294	(321)

The interest rate used for the capitalisation of financial expense was 1.70% for investments related to financing from Italgas S.p.A. (1.76% in 2024).

As at 31 December 2024 and 31 December 2025, Italgas Reti does not hold derivative financial instruments.

Disputes and other measures

Italgas Reti 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, the Company believes that these proceedings and actions will not have material adverse effects on its 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 Supreme Court 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 Supreme Court 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 were combined, was set for 11 July 2023. Following the hearing, the judge ordered an Expert's Report (CTU) which was carried out in the course of 2024. At the hearing of 11 December 2024, the Judge, having taken note of the findings of the CTU, invited the parties to reach a settlement of the dispute, adjourning the hearing for the definition of a settlement agreement or, failing that, the clarification of the conclusions – first to 1 July 2025 and finally to 3 December 2025 for the same matters. The judge submitted the case for decision, without affecting the possibility of a settlement between the parties.

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). As at the date of this document, the expert appraisal operations have been completed. The hearing for the examination of the CTU was held on 10 July 2025 and was adjourned until 26 June 2026 for clarification of the conclusions.

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 Appeal of Venice

Following the judgement of the Council of State on the acquisition, free of charge, of the assets included in Block A, the Municipality of Cavallino-Treporti brought a civil proceeding before the Court of Venice in order to 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 has therefore filed an appeal with the Supreme Court against the judgment of the Venice Court of Appeal. Italgas Reti has appeared in the proceedings and, at present, the decision of the Court of Cassation is 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.

Criminal dispute

The main criminal disputes in which the Company 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/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 merged 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 odouring gas and soil samples taken near the site of the event in the days following the explosion and the presence of the odouring 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 requested the dismissal of the proceedings against all the individuals under investigation at Italgas Reti, while issuing a notice of conclusion of the preliminary investigation against two natural persons of Siciliana Gas S.p.A. (one of whom was not employed by Italgas Reti at the time of the merger by incorporation of Siciliana Gas and is now deceased) and against the company that installed the pipeline.

Following this event, two parallel criminal proceedings were initiated.

The first proceeding, concerning ten employees of Italgas Reti (later reduced to nine following the death of one employee), concluded with an order of dismissal on 16 December 2025.

The second proceeding is still pending and concerns Italgas Reti S.p.A. in its capacity as civilly liable party. The proceedings, now involving only one defendant, are ongoing. The hearing for the examination of witnesses scheduled for 12 February 2026 has been postponed to 12 March 2026 due to the replacement of the judge.

Tax litigation

Indirect taxes

The provision for tax litigation relates to prior provisions recognised in connection with proceedings concerning assessments served on the former Napoletanagas S.p.A., now incorporated, for the waste disposal tax in the Municipality of Caserta and for regularisations of violations related to invoicing.

Direct taxes

In accordance with IFRIC 23 "Uncertainty over Income Tax Treatments," there are no grounds for recognising a provision for risks in respect of income taxes.

Informative priorities ESMA 2025

In continuity with previous financial statements, and also for the purposes of preparing the 2025 Financial Report, Italgas takes into account the recommendations of the European Securities and Markets Authority (ESMA), which draw attention to the main areas of focus in the current environment, characterised by a combination of factors linked to geopolitical tensions that continue to weigh on global prospects, developments in monetary policy, the intensification of protectionist policies and their effects on supply chains, impacts on the economic climate and uncertainties regarding future developments.

In this regard, ESMA's main recommendations concern the need to provide clear, detailed and entity-specific disclosures enabling an understanding of how geopolitical uncertainties affect the financial position and financial performance, the assumptions used in valuation models, estimates and sensitivity analyses, as well

as any other information considered necessary to understand the effects (or absence of effects) of geopolitical uncertainties on the Company's key metrics.

In addition, in its Public Statement, ESMA sets out specific recommendations, including references to previously issued guidance, such as:

- consistency between financial statement disclosures on climate-related matters and sustainability reporting;
- the need to analyse, already in the 2025 financial statements, the impacts of the updates to:
 - IFRS 9 and IFRS 7 (although effective from 1 January 2026), relating to electricity supply contracts dependent on natural sources such as wind or solar energy;
 - IFRS 18, with respect to financial statements, information systems and communications;
- attention to alternative performance measures (APMs), which in terms of definitions and calculations must be consistent over time and updated with caution where geopolitical impacts are intended to be reflected.

Lastly, ESMA places particular focus on Segment Information as required by IFRS 8, enabling users of the financial statements to assess the characteristics and financial performance of the operating business segments.

In particular, ESMA emphasises the need for clear and comprehensive disclosure regarding the criteria used to identify the segments, any significant changes in the segments, the completeness of the revenues and costs allocated to them, and the factors affecting impairment testing.

Italgas has considered these issues for the purposes of preparing its annual financial report as at 31 December 2025.

Climate-related risks and impairment

The Group, through the ERM, monitors risks related to climate change issues, which are categorised as physical risks due to weather and climate variations, and transition risks related to the socio-economic response of society 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.

Transition risks, on the other hand, consist of: (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.

The new provisions apply to undertakings operating in Italy belonging to multinational or national groups with consolidated annual revenues of 750 million euro or higher, calculated as an average in at least two of the four financial years immediately prior to the reporting year.

The objective of the legislation is to ensure that such undertakings are subject to an effective minimum tax rate of 15%, with possible tax supplements required in jurisdictions that do not reach this level.

The legislation in question applies to Italgas S.p.A. and its “minority affiliates” (i.e., other “entities” consolidated line by line by CDP in which Italgas holds a “controlling interest”) that qualify as a “minority subgroup” (see Article 38, paragraph 1, letter c, of the Decree), attributable to the CDP Group. The latter has as its “ultimate parent company,” Cassa Depositi e Prestiti S.p.A. (CDP), which qualifies as the Ultimate Parent Entity (UPE), as it consolidates various “entities” on a “line-by-line basis” (including CDP Reti and Italgas, as well as other entities in which Italgas holds interests) and is not, in turn, consolidated on a “line-by-line basis” by another “entity”. On the basis of the information collected and processed in accordance with the applicable regulatory provisions, a reasonable estimate was made of the Italgas Group’s exposure to income taxes as at 31 December 2025.

Based on the estimate performed, no liabilities for top-up taxation appear to arise.

Public funds received

With reference to the new rules introduced by Law no. 124 of 4 August 2017 “Annual competition law”, under Article 1, paragraphs 125-129, please note that the following grants from public authorities relating to the construction of gas networks were collected in 2024.

Beneficiary	Grantor			Type of transaction	Amount €
	Company name	Tax code	VAT Number		
ITALGAS RETI S.P.A.	MINISTERO DELL'ISTRUZIONE E DEL MERITO	80185250588	80185250588	NIMBUS project	2,995,924
ITALGAS RETI S.P.A.	AUTORITÀ DI REGOLAZIONE PER ENERGIA RETI E AMBIENTE	97190020152	97190020152	P2G Sestu	156,825
ITALGAS RETI S.P.A.	PROCIDA	634830632	634830632	Plant account grants - Reg. Law no. 25 of 3 APRIL 1995 and - REGIONAL LAW NO. 84 of 27.12.2001	2,338,532
					5,491,281

26) Revenues and other income

The breakdown of revenues and other income for the year, which totalled 2,487,048 thousand euro (1,776,554 thousand euro in 2024) is shown in the following table:

(€ thousand)	For the year ended 31 December 2024	For the year ended 31 December 2025
Revenues	1,726,107	2,416,826
Other income	50,447	70,222
	1,776,554	2,487,048

Revenues were exclusively generated in Italy.

Revenues from related parties are described in Note 33 “Related party transactions”.

Revenues

Revenues, which amount to 2,416,826 thousand euro (1,726,107 thousand euro as at 31 December 2024), are analysed in the table below:

(€ thousand)	For the year ended 31 December 2024	For the year ended 31 December 2025
Gas distribution	1,159,659	1,616,773
Revenues for infrastructure construction and improvements (IFRIC 12)	515,985	707,548
Release of connection contributions relating to the year		26,919
Technical assistance, engineering, IT and various services	47,750	63,107
Sale of other products	2,713	2,479
	1,726,107	2,416,826

Revenues mainly relate to consideration for the natural gas transportation service and to other regulated gas revenues (1,616,773 thousand euro as at 31 December 2025 and 1,159,659 thousand euro as at 31 December 2024), as well as to revenues arising from the construction and enhancement of gas in connection with concession arrangements in accordance with IFRIC 12 (707,548 thousand euro as at 31 December 2025 and 515,985 thousand euro as at 31 December 2024).

Gas distribution revenues in Italy are reported net of the following items, involving tariff components in addition to the tariff applied to cover gas system expenses of a general nature. The amounts in question are paid, where positive, or charged, where negative, for an equal amount, to the CSEA.

The additional fees of the distribution service (413,312 thousand euro as at 31 December 2025 and 112,520 thousand euro as at 31 December 2024) mainly relate to the following components: (i) RE, to cover the expenses burdening the Fund for calculating and implementing energy savings and the development of renewable energy sources in the gas sector; (ii) RS, to cover expenses burdening the Account for gas services quality; (iii) UG1, to cover any imbalances in and adjustments to the equalisation system; (iv) UG2, to cover the costs of retail sales marketing; (v) UG3int, to cover expenses connected to the interruption of services; (vi) UG3ui, to cover expenses connected to any imbalances in specific equalisation mechanism balances for the Default Distribution Service Provider (FDD) as well as the expenses for payment delays incurred by Suppliers of Last Instance (FUI), limited to end customers for which the supply cannot be suspended; (vii) UG3ft, to cover the arrears paid to temporary providers on the transport system; (viii) GS, to cover the tariff compensation system for economically disadvantaged customers.

Gas distribution revenues amounting to 1,616,773 thousand euro as at 31 December 2025 (1,159,659 thousand euro as at 31 December 2024) increased by 457,114 thousand euro compared with 31 December 2024, reflecting the benefits of the new scope resulting from the incorporation of 2i Rete Gas. The item increased as a result of the growth in RAB, mainly due to investments made during the period and the effect of the deflator, as well as the impact in 2025 of higher operating costs recognised for tariff purposes under Resolution No. 87/2025/R/gas.

This revenue refers to natural gas distribution on behalf of all commercial operators requesting access to the networks of the distribution companies and include the effects arising from (i) the implementation of Resolution no. 737/2022/R/gas in terms of recognition of the residual value of smart meters of a class not exceeding G6 produced up to the year 2016 and commissioned by the year 2018, (ii) the higher revenues associated with the contribution pursuant to Article 57 of ARERA Resolution no. 570/2019/R/gas relating to the replacement of traditional meters with electronic smart meters and the recovery of non-depreciation (so-called IRMA) pursuant to Consultation Document DCO 545/2020/R/gas, Resolution no. 570/2019/R/gas, Resolution no. 287/2021 and Determination no. 3/2021.

Other income

Other income, 70,222 thousand euro (50,447 thousand euro as at 31 December 2024), are broken down as follows:

(€ thousand)	For the year ended 31 December 2024	For the year ended 31 December 2025
Annual quotas of connection and channelling contributions	14,277	
Income from gas distribution service safety recovery incentives	126	31,631
Repayments from third parties and insurance compensation	27,434	25,467
Capital gains on disposal of property, plant and equipment	1,612	712
Income from property investments	111	125
Safety inspections of installations	1,319	1,367

Revenues from seconded personnel	1,688	9,210
Other income	3,880	1,710
	50,447	70,222

Income from safety recovery incentives for the gas distribution service (31,631 thousand euro) relates to reimbursements recognised by the Authority in connection with premiums for safety recovery of the gas distribution service for 2025. The increase is attributable, on the one hand, to the cessation of the effects of Resolution no. 490/2024/R/gas, which in 2024 had resulted in the cancellation of the bonuses relating to the safety of the gas distribution service for the year 2020, with the consequent non-recognition of income of approximately 23.0 million euro, and, on the other hand, to the new scope resulting from the acquisition of 2i Rete Gas.

Reimbursements from third parties and insurance claims amounted to 25,467 thousand euro, representing a decrease of 1,967 thousand euro compared with the previous financial year, and mainly relate to various reimbursements from regulated activities (18,100 thousand euro), various operating reimbursements and recharges (6,170 thousand euro) and compensation for damages from insurance companies (1,197 thousand euro).

27) Costs and other expenses

The breakdown of costs and other expenses, which totalled 1,161,943 thousand euro (830,365 thousand euro in 2024), is shown in the following table:

(€ thousand)	For the year ended 31 December 2024	For the year ended 31 December 2025
Purchases, services and other costs	672,820	936,118
Personnel costs	157,545	225,825
	830,365	1,161,943

The underlying reasons for the most significant changes are explained in the Directors' Report within the "Comment on the economic and financial results".

Costs and other expenses relating to the construction and enhancement of natural gas distribution infrastructure under concession arrangements in accordance with IFRIC 12 amounted to 707,548 thousand euro (515,985 thousand euro as at 31 December 2024) and are broken down by nature as follows:

(€ thousand)	For the year ended 31 December 2024	For the year ended 31 December 2025
Costs for raw materials, consumables, supplies and goods	94,835	99,302
Costs for services	312,792	468,471
Lease expenses	14,597	12,120
Other expenses	843	1,148
Labour cost	92,918	126,507
	515,985	707,548

The breakdown between internal and external costs is presented in the following table:

(€ thousand)	Internal	External
Costs for raw materials, consumables, supplies and goods	57,834	41,468
Costs for services	92,458	376,013
Lease expenses		12,120
Other expenses		1,148
Labour cost	126,507	
	276,799	430,749

Purchases, services and other costs

Purchases, services and other costs, which amounted to 936,118 thousand euro (672,820 thousand euro as at 31 December 2023), can be broken down as follows:

(€ thousand)	For the year ended 31 December 2024	For the year ended 31 December 2025
Costs for raw materials, consumables, supplies and goods	103,917	112,558
Costs for services	433,859	642,354
Lease expenses	91,443	124,739
Impairment of trade receivables net	(799)	979
Other expenses	44,681	56,049
To be deducted:		
Increases for internal works - intangible assets	(281)	(561)
- of which costs for services	(281)	(561)
	672,820	936,118

Costs for raw materials, consumables, supplies and goods for 112,558 thousand euro (103,917 thousand euro as at 31 December 2024) refer to:

(€ thousand)	For the year ended 31 December 2024	For the year ended 31 December 2025
Inventories	63,810	75,430
Materials and consumables	40,107	37,128
	103,917	112,558

Inventories refer in particular 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 infrastructure (99,302 thousand euro) recognised due to the entry into force of IFRIC 12 as of 1 January 2010.

Costs for services of 642,354 thousand euro (433,578 thousand euro as at 31 December 2024) relate to:

(€ thousand)	For the year ended 31 December 2024	For the year ended 31 December 2025
Project management and plant maintenance	274,388	401,464
General services	130,845	186,025
Consultancy and professional services	14,069	23,125
Costs for personnel services	9,436	10,575
Costs for seconded personnel	1,286	1,453
Postal and telecommunication services	602	1,324
Electricity, water and other (utility) services	4,479	4,865
Insurance	3,954	5,116
Other operational services	4,608	10,628
Cleaning, security service and guard services	2,818	3,674
Advertising and entertainment	1,103	1,347
Other services	1,611	1,869
Use of risk provision	(15,340)	(9,113)
	433,859	642,354
To be deducted:		
Increases for internal works - intangible assets	(281)	(561)
	433,578	641,793

Costs for services include costs relating to the construction and upgrading of gas distribution infrastructure (468,471 thousand euro) recognised due to the entry into force of IFRIC 12 as at 1 January 2010.

Costs for project management and plant maintenance planning totalled 401,455 thousand euro (274,388 thousand euro as at 31 December 2024) and essentially relate to the extension and maintenance of distribution plants.

Costs for the use of third-party assets, amounting to 124,739 thousand euro (91,443 thousand euro as at 31 December 2024), refer primarily to fees recognised to contracting parties for the running of natural gas distribution activities under concession.

The item includes costs relating to the construction and upgrading of gas distribution infrastructure (12,120 thousand euro) recognised due to the entry into force of IFRIC 12 as of 1 January 2010.

Other expenses, amounting to 56,049 thousand euro (44,681 thousand euro as at 31 December 2024), comprises:

(€ thousand)	For the year ended 31 December 2024	For the year ended 31 December 2025
Capital losses on disposal of property, plant and equipment	32,445	33,862
Indirect taxes, local taxes	4,319	5,294
Other penalties	7,047	18,951
Membership fees	470	815
Provision for risks and charges	(76)	(3,106)
Other	476	233
	44,681	56,049

Capital losses on the disposal of property, plant and equipment mainly related to write-downs of meters held in inventory.

Indirect taxes and local taxes include the tax on real estate (2,622 thousand euro), the tax on the occupation of public spaces (359 thousand euro), the tax on waste disposal (1,006 thousand euro) and other taxes (1,361 thousand euro).

Other penalties, amounting to 18,951 thousand euro (7,047 thousand euro as at 31 December 2024), include costs relating to penalties for the difference between gas injected and gas withdrawn at the city gates arising from ARERA Resolution no. 386/2022/R/gas for the years 2020-2022, 2021-2023 and 2022-2024 for an amount of 8,152 thousand euro, as well as charges for settlements and litigation amounting to 10,799 thousand euro.

The item includes costs relating to the construction and upgrading of gas distribution infrastructure (1,148 thousand euro) recognised due to the entry into force of IFRIC 12 as of 1 January 2010.

Personnel costs

The item **Personnel costs**, amounting to 225,825 thousand euro (157,545 thousand euro as at 31 December 2024), is broken down as follows:

(€ thousand)	For the year ended 31 December 2024	For the year ended 31 December 2025
Wages and salaries	114,017	160,105
Social charges	35,103	49,511
Employee benefits	7,456	12,239
Other expenses	1,314	4,810
To be deducted:		
Increases for internal works - intangible assets	(345)	(840)
	157,545	225,825

The item includes costs relating to the construction and upgrading of gas distribution infrastructure (126,507 thousand euro) recognised due to the entry into force of IFRIC 12 as of 1 January 2010.

Personnel costs include remuneration paid to personnel, deferred remuneration, provisions for employee severance pay, the valuation of accrued but untaken leave, additional personnel costs and social security and insurance costs borne by the Company, in accordance with employment contracts and applicable laws.

Employee benefits, amounting to 12,239 thousand euro (7,456 thousand euro as at 31 December 2024) mainly regard the employee severance pay accrued, to be paid to pension funds or to INPS.

Other expenses of 4,810 thousand euro (1,314 thousand euro as at 31 December 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 shareholders' equity.

Average number of employees

The average number of payroll employees, broken down by status, is as follows:

	Role		Strength	
	2024	2025	2024	2025
Executives	16	29	15	23
Middle Managers	141	190	141	172
Employees	1,418	2,030	1,408	1,939
Manual workers	954	1,228	952	1,226
	2,529	3,477	2,517	3,360

The average number of employees is calculated on the basis of the monthly number of employees for each category. “Payroll employees” means the workers registered in the company’s Employee Ledger (LUL); “staff employed” means the aforesaid payroll employees net of the workers given/received in secondments to/from other companies.

As at 31 December 2025, there were 4,238 employees (2,527 as at 31 December 2024), with an increase of 1,711 employees compared to the previous financial year. The increase is the result of 2,181 people joining and 470 people leaving and derives from:

- 119 people hired from the foreign market;
- from the acquisition of 2,061 employees as a result of the merger of 2i Rete Gas;
- from the net effect of transfers between subsidiaries of the Water Group and the Enaon Greece Group, equal to +1 employee (3 joiners and 2 leavers);
- the net effect of internal transfers between Group companies amounting to -210 people (20 joining and 230 leaving);
- the departure of 260 employees (227 resignations and 33 for other reasons).

Remuneration due to key management personnel

The remuneration due to persons with powers and responsibilities for the planning, management and control of the Company, i.e. executive and non-executive directors, general managers and managers with strategic responsibilities (“key management personnel”), in office at 31 December 2025, amounted to 1,127 thousand euro for 2025 (including contributions and accessory charges) and breaks down as follows:

(€ thousand)	For the year ended 31 December 2024	For the year ended 31 December 2025
Wages and salaries	662	947
Post-employment benefits	58	71
Other long-term benefits	101	109
	821	1,127

Remuneration due to directors and statutory auditors

Remuneration due to Directors amounted to 150 thousand euro and remuneration due to Statutory Auditors amounted to 105 thousand euro. This remuneration includes emoluments and any other amounts relating to pay, pensions and healthcare due for the performance of duties as a director or statutory auditor giving rise to a cost for the Company, even if not subject to personal income taxes.

28) Amortisation, depreciation and impairment

Amortisation, depreciation and impairment, totalling 420,391 thousand euro (358,115 thousand euro in 2024), break down as follows:

(€ thousand)	For the year ended 31 December 2024	For the year ended 31 December 2025
Amortisation and depreciation		
-Intangible assets IFRIC 12	336,451	398,243
- Intangible assets	1,929	2,264
- Property, plant and equipment	30,778	39,396
- of which amortisation of right-of-use assets	19,246	27,322
Net impairment losses		
- Impairment of intangible assets	(11,043)	(19,512)
	358,115	420,391

Net impairment of asset, amounting to a net use of -19,512 thousand euro (a net impairment of -11,043 thousand euro in 2024) refers to the use of provision for impairment losses related to faulty gas smart meters.

29) Net financial expense

Net financial expense, amounting to 121,961 thousand euro (55,199 thousand euro in 2024), comprises:

(€ thousand)	For the year ended 31 December 2024	For the year ended 31 December 2025
Financial expense	(61,488)	(130,823)
Financial income	5,995	9,183
Gain/(loss) on derivative financial instruments measured at fair value	294	(321)
	(55,199)	(121,961)

In detail, financial expenses, financial income and other net financial income are composed as follows:

(€ thousand)	For the year ended 31 December 2024	For the year ended 31 December 2025
Financial expense related to net financial debt		
- Interest expense on loans from Italgas S.p.A.	(58,332)	(122,367)
Other financial expense (income)		
- Financial expense (income) associated with the reclamation provision estimate	(445)	607
- Other expenses	(2,400)	(7,150)
- Other income	5,674	7,030
	(55,493)	121,640

With reference to financial expenses relating to net financial debt, amounting to 122,367 thousand euro (58,322 thousand euro as at 31 December 2024), reference is made for further details to the analyses set out in the paragraph “Current financial liabilities and non-current financial liabilities”.

Financial expense capitalised, amounting to 69 thousand euro (29 thousand euro as at 31 December 2024), refers to the portion of financial expense capitalised in the investing activities. For further details, reference is made to the analyses set out in the paragraph “Property, plant and equipment” and in the paragraph “Intangible assets”.

30) Net income from equity investments

Net income from equity investments, totalling 5,987 thousand euro (2,830 thousand euro in 2024), breaks down as follows:

(€ thousand)	For the year ended 31 December 2024	For the year ended 31 December 2025
Other income from equity investments		
Medea S.p.A.	1,556	3,763
Acqua Campania S.p.A.	10	
Share of the profit of investments in associates/joint ventures		
Reti Distribuzione S.r.L.	1,264	2,187
Melegnano Energia Ambiente S.r.L.		45
Expenses on equity investments		
BCA POP Pugliese		(8)
	2,830	5,987

Other income from equity investments relates to the dividend resolved by the subsidiary Medea S.p.A. and to the investment held in Reti Distribuzione Gas.

For further details on the movements in investments in subsidiaries, associates and joint ventures, reference is made to the paragraph "Equity investments".

31) Income taxes

Income taxes for the year, amounting to 219,989 thousand euro (124,567 thousand euro in 2024) comprise:

(€ thousand)	For the year ended 31 December 2024			For the year ended 31 December 2025		
	IRES	IRAP	Total	IRES	IRAP	Total
Current taxes	109,279	23,198	132,468	207,859	42,518	250,377
Current taxes for the year	134,883	27,124	162,011	201,643	42,014	243,659
Adjustments for current taxes pertaining to previous years	(25,613)	(3,930)	(29,543)	6,216	502	6,718
Deferred and prepaid taxes	(8,593)	692	(7,901)	(30,962)	574	(30,388)
Deferred taxes	(9,985)	(685)	(10,670)	(26,009)	(2,552)	(28,561)
Prepaid taxes	1,392	1,377	2,769	(4,953)	3,126	(1,827)
	100,677	23,890	124,567	176,897	43,092	219,989

An analysis of the reconciliation between the theoretical tax, determined by applying the IRES and IRAP tax rate in force in Italy, and the effective tax for the financial year is shown below:

(€ thousand)	For the year ended 31 December 2024		For the year ended 31 December 2025	
	Tax rate	Balance	Tax rate	Balance
IRES				
Profit before taxes		535,705		788,741
IRES tax calculated based on the theoretical tax rate	24.00%	128,569	24.00%	189,298
Tax effect on:				
- Income from equity investments	(0.1)%	(357)	(0.2)%	(1,367)
- Current taxes for previous years	(3.5)%	(18,976)	0.1%	460
- Other permanent differences	(1.6)%	(8,559)	(1.5)%	(11,494)
IRES taxes for the year through profit or loss	18.8%	100,677	22.4%	176,897

(€ thousand)	For the year ended 31 December 2024		For the year ended 31 December 2025	
	Tax rate	Balance	Tax rate	Balance
IRAP				
Operating result for IRAP		588,074		904,714
IRAP tax calculated based on the theoretical tax rate	4.2%	24,699	4.2%	37,998
Tax effect on				
- Other permanent differences	(0.2)%	(809)	1.3%	5,105
IRAP taxes for the year through profit or loss	4.0%	23,890	5.5%	43,103

32) Fees for auditing and services other than auditing

Type of services	Subject that provided the service	Recipient	Fees (€ thousand)
Audit (*)	Deloitte & Touche S.p.A.	Italgas Reti S.p.A.	541.6
Certification services (**)	Deloitte & Touche S.p.A.	Italgas Reti S.p.A.	63.6
			605.2

(*) The auditing services include: (i) the audit of the annual financial statements; (ii) the limited audit of the annual reporting package; (iii) the limited audit of the half-yearly reporting package; (iv) the audit of the separate annual accounts pursuant to the Integrated Text on Accounting Unbundling (TIUC).

(**) The certification services regard procedures related to: (i) certification of investments for tariff purposes; (ii) sustainability reporting activities in accordance with Directive (EU) 2022/2464 (the Corporate Sustainability Reporting Directive, or 'CSRD').

33) Information by operating segment and geographical area

With reference to the information required by the IFRS Accounting Standards, it is confirmed that revenues and operating costs, investments, assets and liabilities relate exclusively to the gas distribution and metering sector and are generated in Italy.

34) Related party transactions

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

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

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

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

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

The Company is subject to the direction and coordination activity of the parent company Italgas S.p.A. pursuant to art. 2497 et seq. of the Italian Civil Code. The operations carried out by the Company with related

parties essentially involve the exchange of goods, the provision of services and the supply and use of financial resources with the aforesaid entities.

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. These relations shall take the form of ordinary transactions concluded at arm's length conditions insofar as part of the core operating business of the Group, as envisaged by the RPT Procedure.

The amounts involved in commercial, financial and other transactions with the aforesaid related parties are shown below for the financial year in progress. The previous financial year is also shown for comparison. The nature of the most significant transactions is also stated.

Commercial and other transactions

Commercial and other transactions are analysed below:

(€ thousand)	As of 31 December 2024		For the year ended 31 December 2024			For the year ended 31 December 2024	
	Receivables	Payables	Costs (a)			Revenues (b)	
			Assets	Services	Other	Services	Other
Parent company							
- Italgas S.p.A.	4,017	130,151		69,381	31	901	679
	4,017	130,151		69,381	31	901	679
Subsidiary companies							
- Medea S.p.A.	4,080	3	35	(107)		4,499	1,940
	4,080	3	35	(107)		4,499	1,940
Other Group companies							
- Nepta S.p.A.	266	10		(12)		222	316
- Bludigit S.p.A.	2,203	791	(400)	69,453		575	3,766
- Metano Sant'Angelo Lodigiano S.p.A.	232	0		(2)		110	87
- Toscana Energia S.p.A.	646	183	133	265		1,765	82
- Umbria Distribuzione Gas S.p.A.	1,930			(31)		399	82
- Geoside S.p.A.	132	1,309		1,113	133	270	48
- Enaon S.A.	604					450	
- Energie Rete Gas S.r.L.	128					89	
- Acqualatina S.p.A.	36	(1)		7			34
- Siciliacque S.p.A.	24	11		(1)			23
- Idrolatina S.r.l.							
- Idrosicilia S.p.A.	4						4
- Italgas Newco S.r.L.		11		20			
	6,203	2,316	(267)	70,812	134	3,881	4,443
State-controlled enterprises							
- Eni Group	156,072	39,156	2,906	1,170	1,593	508,109	3,504
- Snam Group	340	370		156	167	240	111
- Enel Group	41,340	10,295	(3)		1,113	142,533	2,697
- Anas Group	332	1,174		6	442		699
- Ferrovie dello Stato Group	307	31		33	586	6	176
- GSE Gestore Servizi Group	(2)	(1,651)			80,438		
- Poste italiane Group	1	112		106			
- Leonardo Group		115		186		1	
- Cassa Depositi e Prestiti Group					200		
	198,391	49,602	2,904	1,656	84,539	650,889	7,187
Other Companies							
- Saipem S.p.A.		27					
- Trevi S.p.A.		90		278			
- E-Distribuzione S.p.A.	13	(1)		1			
- Unicredit S.p.A.							4

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- Assicurazioni Generali S.p.A.	1,035					144
- Valvitalia S.p.A.		488	1,948	16		
	1,049	604	1,948	294		148
Total	213,740	182,675	4,619	142,037	84,704	660,170

(€ thousand)	As of 31 December 2025		For the year ended 31 December 2025			For the year ended 31 December 2025	
	Receivables	Payables	Costs (a)			Revenues (b)	
			Assets	Services	Other	Services	Other
Parent company							
- Italgas S.p.A.	4,330	78,942		102,350	53	1,362	8,169
	4,330	78,942		102,350	53	1,362	8,169
Subsidiary companies							
- Medea S.p.A.	4,898	157		157		3,949	1,004
- Cilento Reti Gas S.r.l.	475	1				126	3
	5,372	158		157		4,075	1,007
Other Group companies							
- Nepta S.p.A.	209	18		4		169	314
- Bludigit S.p.A.	290	3,058	46	94,775		552	1,437
- Metano Sant'Angelo Lodigiano S.p.A.	331	0				257	73
- Toscana Energia S.p.A.	1,204	1,251	12	1,299		2,145	113
- Umbria Distribuzione Gas S.p.A.	960	2				219	25
- Geoside S.p.A.	(66)	2,716		2,235		180	59
- Enaon S.A.	1,010					409	
- Energie Rete Gas S.r.l.	53					174	
- Acqualatina S.p.A.	33			16			20
- Siciliacque S.p.A.	535	41					511
- Idrolatina S.r.l.	15					15	
- Idrosicilia S.p.A.	266					247	15
- Italgas Newco S.r.l.		36		39			
- Acqua Campania S.p.A.	119					119	
- 2i Rete Dati S.r.l.	309	6,046		3,864			1
- IG Servizi Energetici S.r.l.	21	258		231			
	5,280	13,425	58	102,463		4,486	2,568
State-controlled enterprises							
- Eni Group	193,910	45,871	3,839	472	4,377	597,136	3,910
- Snam Group	345	205		183	44	240	103
- Enel Group	130,719	12,475	2,006	1,228	1,184	292,591	2,807
- Anas Group	232	2,112		19	1,314	1	
- Ferrovie dello Stato Group	354	406	4	6	1,009	8	395
- GSE Gestore Servizi Group	2	(1,647)			88,920	314	15
- Poste italiane Group	2,292	174	171	552		16,551	48
- Leonardo Group		194		127			
- Cassa Depositi e Prestiti Group						59	(56)
- Rai Group		1					
	327,855	59,792	6,019	2,588	96,847	906,900	7,223
Other Companies							
- Saipem S.p.A.		68		91			
- Valvitalia S.p.A.		385	1,154	11			
- Eur Group		4			2		
		457	1,154	102	2		
Total	342,847	152,775	7,231	207,660	96,903	916,822	18,967

Relations with the parent company Italgas

The main payable commercial transactions refer to: services carried out centrally by the parent company Italgas S.p.A. (ICT, personnel and organisation, planning, administration, finance and control, legal affairs, corporate secretarial office, general services, real estate and security, enterprise risk management, institutional relations and communications, HSEQ, regulations and internal auditing), the pricing model for

which is based on the chargeback of the costs incurred for providing the services according to a full cost logic; IT services; development of infrastructure and loan of personnel.

The main receivable commercial transactions regard loan of personnel and lease of real estate.

Relations with subsidiaries of Italgas Reti

The main receivable commercial transactions were as follows:

- loan of personnel;
- IT services.

The main payable transactions refer to commercial relations.

Relations with other Group companies

The main active commercial relationships concerned the provision of IT services.

The main payable transactions refer to commercial relations.

Relations with State-owned or controlled enterprises

The main receivable commercial transactions refer to:

- the distribution of natural gas and personnel loans to the Eni S.p.A. (Gas & Electricity Division);
- property management services, IT services and secondment of personnel provided to Eni S.p.A.;
- the distribution of natural gas to Enel Energia S.p.A.

The main payable transactions regard:

- the supply of electricity and methane gas for internal consumption by Eni S.p.A.;
- services regarding the management and maintenance of real estate, personnel services, canteen management and other general services by Eni Servizi S.p.A.

The main active and passive commercial relationships with companies of the Snam Group mainly relate to the effects arising from the demerger transaction.

Financial transactions

Financial transactions can be broken down as follows:

(€ thousand)	As of 31 December 2024		As of 31 December 2024	
	Receivables	Payables	Income	Expense
Parent companies				
- Italgas S.p.A.	432,806	3,681,835	5,366	57,514
	432,806	3,681,835	5,366	57,514
Other Group companies				
- Umbria Distribuzione Gas S.p.A.			178	
			178	
State-controlled enterprises				
- Inversora de Aconcagua	1			
- Snam Group		1,466		
- Anas Group		331		
- Ferrovie dello Stato Group		405		
	1	2,202		
Total	432,807	3,684,037	5,544	57,514

(€ thousand)	As of 31 December 2025		As of 31 December 2025	
	Receivables	Payables	Income	Expense
Parent company				
- Italgas S.p.A.	374,914	4,231,258	5,133	91,451
	374,914	4,231,258	5,133	91,451
Other Group companies				
- IG Servizi Energetici S.r.L.	1,931		41	
	1,931		41	
State-controlled enterprises				
- Snam Group		1,466		
- Anas Group		331		
- Ferrovie dello Stato Group		405		
		2,202		
Total	376,845	4,233,460	5,174	91,451

Relations with the parent company Italgas S.p.A.

The main financial transactions with Italgas S.p.A. relate to the coverage of financial requirements and the use of liquidity through a treasury agreement in order to meet current financial requirements and through loan agreements in the medium to long term¹⁰.

Impact of related-party transactions or positions on the statement of financial position, income statement and statement of cash flows

The impact of related-party transactions or positions on the statement of financial position is summarised in the following table:

(€ thousand)	As of 31 December 2024			As of 31 December 2025		
	Total	Related	Incidence %	Total	Related	Incidence %
Statement of financial position						
Current financial assets	431,195	431,195	100.00%	374,243,413	373,663	0.10%
Trade receivables and other receivables	618,228	213,740	34.57%	1,065,364	342,847	32.18%
Other current assets	1,066	1,065		839	839	100.00%
Other current non-financial assets	43,494	11		67,914	1,638	2.41%
Other non-current financial assets	546	546	100.00%	453	453	100.00%
Non-current financial assets	306,049			310,046	1,890	0.61%
Other non-current assets	105,456	121	0.11%	198,225	156	0.11%
Current financial liabilities	100,613	91,456	90.90%	810,772	95,471	11.78%
Non-current financial liabilities	3,613,839	3,592,581	99.41%	6,013,219	4,137,989	68.81%
Trade and other payables	727,467	182,654	25.11%	1,224,634	152,775	12.48%
Other current liabilities	5,271	177	3.36%	12,889	7,653	59.38%

The impact of related-party transactions on the income statement is summarised in the following table:

(€ thousand)	For the year ended 31 December 2024			For the year ended 31 December 2025		
	Total	Related entities	Incidence %	Total	Related entities	Incidence %
Income Statement						
Revenues	1,726,107	660,170	38.25%	2,416,826	916,822	37.93%
Other income	50,447	14,397	28.54%	70,222	18,967	27.01%

¹⁰ Detailed information on medium- to long-term financing is provided in the paragraph "Current and non-current financial liabilities" of the Notes to the financial statements.

Costs and other expenses	830,365	231,354	27.86%	1,161,943	311,794	26.83%
Financial income	5,995	5,250	87.57%	9,183	5,147	56.05%
Financial expense	61,488	57,514	93.54%	130,823	91,451	69.90%
Derivative financial instruments	294	294	100,00%	321	321	100,00%
Net income from equity investments	2,830			5,987		

Related-party transactions are generally carried out at arm's length, i.e. at the conditions that would be applied between two independent parties.

35) Significant non-recurring events and transactions

Pursuant to Consob Communication DEM/6064293 of 28 July 2006, it should be stated that no significant non-recurring events or transactions took place during the course of the year.

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

Pursuant to Consob Communication DEM/6064293 of 28 July 2006, it should be stated that no atypical and/or unusual positions or transactions took place during the course of the year.

37) Significant events after year end

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

Extraordinary transactions and area tenders

To fulfil the commitments required by the Antitrust Authority in relation to the acquisition of 2i Rete Gas, in January 2026 Italgas Reti incorporated and registered with the Companies' Register six new companies, each with share capital of 10,000 euro fully subscribed and paid up: Azienda Gas Valle del Sacco S.r.l., BS Reti Gas S.r.l., Infrastrutture Reti Gas SPV 1 S.r.l., Infrastrutture Reti Gas SPV 2 S.r.l., Infrastrutture Reti Gas SPV 3 S.r.l. and Reti Padova S.r.l.

On 15 January 2026, a new plant came into operation in Porto Tolle (RO), connecting the biomethane produced by Azienda Agricola Canella Giancarlo to the Italgas network. The project, carried out within the ARERA regulatory framework, also includes 100 metres of new network. Italgas highlights the strategic role of biomethane and plans to connect a further 50 plants by mid-2026.

Legal and Regulatory Framework

By order published on 27 January 2026, the Regional Administrative Court of Friuli Venezia Giulia rejected Italgas Reti's application for interim relief seeking suspension of the tender for the concession of the gas distribution service in the Pordenone area. The Court found that the risks alleged by the Company were unfounded and ruled out the existence of serious and irreparable harm, as the proceedings will allow a decision on the merits before the deadline for the submission of bids (3 June 2026). The public hearing to examine the appeal is scheduled for 10 March 2026.

With Resolution No. 9/2026/R/gas, the Authority approved the amounts to cover the additional costs arising from the extension of obligations to verify metering instruments incurred in 2018 and 2019 by distribution companies that submitted separate annual accounts under the ordinary accounting unbundling regime. The resolution also requires that CSEA settle the amounts recognised at the end of the regulatory period to the distribution companies, supplementing the limit on revenue allowed for covering metering service costs.

On 20 February, the "Energy Decree" (Decree-Law No. 21 of 20 February 2026) was published in the Official Gazette, introducing a series of urgent measures aimed at containing energy costs in favour of households and businesses. Among the measures is a 2% increase in IRAP, applied to large operators in the energy sector, including gas distribution. This measure was introduced to raise resources to finance bill bonuses and discounts; the IRAP increase takes the form of a temporary "energy tax".

Antitrust requirements

On 1 March 2026, the ATEMs of Bari 2, Barletta-Andria-Trani, Pisa and Teramo were transferred to a temporary consortium comprising Plures, Estra and Centria, covering approximately 120,000 active re-delivery points (PdR). The remaining disposals will take place by the second quarter of 2026.

38) Publications of the financial statements

The financial statements were authorised for publication by the Board of Directors of Italgas Reti at its meeting of 3 March 2026. The Board of Directors authorised the Chairperson and the Chief Executive Officer to make any changes which might be necessary or appropriate for finalising the form of the document.

39) Direction and coordination activities

In accordance with art. 2497-bis, subsection 4 of the Italian Civil Code, the essential figures are shown of the financial statements as at 31 December 2024 of Italgas S.p.A., which exercises direction and coordination activity over the company.

Statement of Financial Position

(€)	Notes	As of 31 December 2023		As of 31 December 2024	
		Total	<i>of which, related parties</i>	Total	<i>of which, related parties</i>
ASSETS					
Cash and cash equivalents	(6)	205,712,778		268,263,131	
Current financial assets	(7)	439,045,008	436,923,521	914,735,035	913,412,154
Trade receivables and other receivables	(8)	45,355,536	41,952,078	150,184,386	147,994,216
Other current financial assets	(18)	18,093,589		5,792,477	
Other current non-financial assets	(10)	10,853,326		13,459,483	183,444
Total current assets		719,050,237		1,352,434,512	
Property, plant and equipment	(11)	12,958,970		12,289,178	
Intangible assets	(12)	1,534,017		1,857,593	
Equity Investments	(13)	3,372,745,521	3,372,745,521	3,427,388,862	3,427,388,862
Non-current financial assets	(18)	4,718,459,318	4,704,884,658	4,528,401,980	4,514,359,575
Non-current tax receivables	(9)	230,110		3,377,933	
Other non-current financial assets	(18)	13,707,942		10,982,083	
Other non-current non-financial assets	(10)	3,730,095		80,677	
Total non-current assets		8,123,365,973		7,984,378,306	
TOTAL ASSETS		8,842,426,210		9,336,812,818	
LIABILITIES AND EQUITY					
Current financial liabilities	(15)	1,336,355,334	347,243,032	1,358,222,852	479,475,923
Trade and other payables	(16)	50,396,252	26,268,658	55,528,753	27,514,108
Current tax liabilities	(9)	5,917,028		6,383,338	
Other current non-financial liabilities	(18)	865,599	865,599	1,065,884	1,065,884
Other non-current non-financial liabilities	(17)	1,574,349	21,593	2,080,333	21,941
Total current liabilities		1,395,108,562		1,423,281,160	
Non-current financial liabilities	(15)	5,588,937,175		5,936,737,468	140,000,000
Provisions for risks and charges	(19)	5,714,145		4,837,610	
Provisions for employee benefits	(20)	8,787,369		8,433,195	
Deferred tax liabilities	(14)	4,639,311		1,115,736	
Other non-current financial liabilities	(18)	452,751	452,751	546,089	546,089
Total non-current liabilities		5,608,530,751		5,951,670,118	
TOTAL LIABILITIES		7,003,639,313		7,374,951,278	
EQUITY					
Share capital	(21)	1,003,227,569		1,003,843,959	
Other reserves		517,134,706		503,573,976	
Retained Earnings		16,990,832		31,988,279	
Profit for the year		301,433,790		422,455,326	
TOTAL EQUITY		1,838,786,897		1,961,861,540	
TOTAL LIABILITIES AND EQUITY		8,842,426,210		9,336,812,818	

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

Income Statement

(€)	Notes	For the year ended 31 December 2023		For the year ended 31 December 2024	
		Total	of which, related parties	Total	of which, related parties
Revenues		74,801,831	74,801,831	77,228,906	77,228,906
Other income		7,944,591	6,746,911	8,063,584	6,500,917
Total revenues and other income	(23)	82,746,422		85,292,490	
Costs for raw materials, consumables, supplies and goods		(171,085)	(4,745)	(155,514)	(12,337)
Costs for services		(37,812,276)	(9,913,139)	(38,588,530)	(9,008,670)
Lease expenses		(46,290)		(70,320)	
Personnel costs		(46,290,755)		(45,915,113)	
Other expenses		(1,902,846)	(5,236)	(2,080,773)	(4,226)
Total costs and other expenses	(24)	(86,223,252)		(86,810,250)	
Amortisation, depreciation and impairment of assets	(25)	(2,661,932)		(2,735,849)	
OPERATING RESULT		(6,138,762)		(4,253,609)	
Financial expense		(84,515,746)		(130,286,258)	(6,194,714)
Financial income		103,729,928	103,977,284	133,927,448	119,517,666
Gain/(loss) on derivative financial instruments measured at fair value		289,753			
Total net financial income	(26)	19,503,935		3,641,190	
Total net income from equity investments	(27)	296,056,957	296,056,957	428,210,748	428,210,748
Profit before taxes		309,422,130		427,598,329	
Income taxes	(28)	(7,988,340)		(5,143,003)	
Profit for the year		301,433,790		422,455,326	

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

Statement of Comprehensive Income

(€)	For the year ended 31 December 2023	For the year ended 31 December 2024
Profit for the year	301,433,790	422,455,326
Other comprehensive income		
Components that will be reclassified to the income statement, net of tax effect:		
Fair value gain/(loss) arising from hedging instruments during the period	(19,860,241)	(15,320,594)
Tax effect	4,766,458	3,676,942
Total components that will be reclassified to the income statement, net of tax effect	(15,093,783)	(11,643,651)
Components that will not be reclassified to the income statement, net of tax effect:		
Actuarial gains (losses) from remeasurement of defined benefit plans for employees	96,740	90,390
Change in fair value of investments measured at FVTOCI	(488,718)	111,950
Tax effect	94,074	(53,040)
Total components that will not be reclassified to the income statement, net of tax effect	(297,904)	149,300
Total other comprehensive income, net of tax effect	(15,391,687)	(11,494,351)
Total comprehensive income for the year	286,042,103	410,960,976

40) Approval of the financial statements

On 3 March 2026, the Board of Directors of Italgas Reti resolved to convene the Ordinary Shareholders' Meeting, among other matters, to approve the 2025 Financial Statements on 3 April 2026.

Proposals of the Board of Directors to the Shareholders' Meeting

Dear Shareholders,

In relation to the information provided above, we kindly suggest that you:

- approve the Financial Statements as at 31 December 2025, ended with a profit of 568.750.928,08 euro;
- to allocate to the Shareholders, by way of dividend, in respect of the 252,263,314 ordinary shares with a nominal value of 1 euro, an amount of 575,300,00.00 euro, using the profit for the financial year of 568,750,928.08 euro resulting from the financial statements of Italgas Reti S.p.A. as at 31 December 2025 and the Retained earnings reserve for 6,549,071.92 euro;
- approve the payment of a dividend of 575,300,000.00 euro from the 15th day after the date of the Shareholders' Meeting.

Turin, 3 March 2026

Report by the Board of Statutory Auditors to the Shareholders' Meeting

Signor Azionista della Italgas Reti S.p.A.,

il Collegio dà atto che l'Assemblea tenutasi in data **22 aprile** 2025 ha nominato il Collegio Sindacale per tre esercizi, con scadenza alla data dell'assemblea convocata per l'approvazione del bilancio relativo all'esercizio 2027, nelle persone della dott.ssa Monica Petrella, quale Presidente, dott. Antonio Santi e il dott. Salvatore De Bellis.

La presente relazione è stata approvata collegialmente ed in tempo utile per il suo deposito presso la sede della società nei 15 giorni precedenti la data della prima convocazione dell'assemblea di approvazione del bilancio oggetto di commento.

Nel corso dell'esercizio chiuso al 31 dicembre 2025 il Collegio Sindacale della società Italgas S.p.A. (d'ora in avanti anche solo "società") ha svolto le attività di vigilanza di propria competenza, di cui Vi diamo conto nella presente Relazione, che Vi viene presentata ai sensi dell'art. 2429, comma 2, c.c., in forza del quale il Collegio Sindacale è chiamato a riferire all'Assemblea ovvero all'Azionista Unica (Italgas S.p.A.) sui risultati dell'esercizio sociale e sull'attività svolta nell'adempimento dei propri doveri, nonché a fare osservazioni e proposte in ordine al bilancio e alla sua approvazione.

L'organo amministrativo ha reso disponibili i seguenti documenti approvati in data 3 marzo 2026 relativi all'esercizio chiuso al 31/12/2025:

- progetto di bilancio, completo di nota integrativa;
- relazione annuale illustrata sulla gestione.

Nel corso dell'esercizio chiuso al 31/12/2025 l'attività del Collegio è stata ispirata alle disposizioni di Legge e alle Norme di comportamento del Collegio Sindacale emanate dal Consiglio Nazionale dei Dottori Commercialisti e degli Esperti Contabili, attualmente in vigore. Di tale attività e dei risultati conseguiti Vi portiamo a conoscenza con la presente relazione.

È stato sottoposto al Vostro esame il bilancio d'esercizio della Italgas Reti S.p.A., al 31/12/2025, redatto in conformità alle norme italiane che ne disciplinano la redazione, che evidenzia un risultato d'esercizio positivo pari ad euro **568.750.928,00**.

Il collegio sindacale, non essendo incaricato della revisione legale, ha svolto sul bilancio le attività di vigilanza della Norma 3.8 delle "Norme di comportamento del collegio sindacale di società non quotate" consistenti in un controllo sintetico complessivo volto a verificare che il bilancio sia stato correttamente redatto. La verifica della rispondenza ai dati contabili spetta, infatti, all'incaricato della revisione legale che è il responsabile del giudizio professionale sul bilancio di esercizio e sul bilancio consolidato, ai sensi dell'art. 14 d.lgs. 127 gennaio 2010, n. 39.

Il soggetto incaricato della revisione legale dei conti è Deloitte & Touche S.p.A., la quale, con riferimento all'attività di revisione del bilancio oggetto della presente relazione, conclude il proprio mandato. La società di revisione ha trasmesso la propria relazione, datata 19 marzo 2026, contenente un giudizio senza modifiche sul bilancio, che di seguito si riporta sinteticamente: "... il bilancio d'esercizio fornisce una rappresentazione veritiera e corretta della situazione patrimoniale e finanziaria della Società al 31 dicembre 2025, del risultato economico e dei flussi di cassa per l'esercizio chiuso a tale data in conformità ai principi contabili IFRS emanati dall'International Accounting Standards Board e adottati dall'Unione Europea".

1) Attività di vigilanza ai sensi dell'artt. 2403 e ss. c.c.

Il Collegio Sindacale ha vigilato, ai sensi dell'art. 2403 del codice civile, sull'osservanza della legge e dello statuto, sul rispetto dei principi di corretta amministrazione e sull'adeguatezza dell'assetto organizzativo, amministrativo e contabile della Società, nonché sul suo concreto funzionamento.

Nel corso dell'esercizio il Collegio ha partecipato alle assemblee degli azionisti e alle riunioni del Consiglio di Amministrazione, acquisendo altresì dall'organo amministrativo e dal management, anche mediante incontri periodici, informazioni sulle attività svolte e sulle operazioni di maggiore rilievo economico, finanziario e patrimoniale poste in essere dalla Società.

Sulla base delle informazioni acquisite e degli approfondimenti svolti nell'ambito dell'attività di vigilanza, il Collegio ha potuto verificare che tali operazioni risultano conformi alla legge e allo statuto sociale, coerenti con le deliberazioni assunte dagli organi competenti e non manifestamente imprudenti o azzardate né in potenziale conflitto di interessi.

Il Collegio ha inoltre esaminato la relazione predisposta dall'organo amministrativo in merito all'assetto organizzativo, amministrativo e contabile della Società, acquisendo informazioni dai responsabili delle funzioni aziendali competenti. Dalle informazioni acquisite emerge che la Società è dotata di un assetto organizzativo adeguato alle dimensioni e alla complessità delle attività svolte, caratterizzato da una chiara definizione di ruoli, responsabilità e poteri, da un sistema formalizzato di deleghe e da un articolato sistema normativo interno volto a disciplinare i principali processi aziendali.

Il sistema amministrativo-contabile risulta idoneo a garantire la corretta rilevazione dei fatti di gestione ed è supportato da sistemi informativi e da un sistema di controllo interno volto ad assicurare l'efficacia e l'efficienza dei processi aziendali, l'affidabilità dell'informativa societaria e il rispetto delle disposizioni normative applicabili.

Con specifico riferimento al Sistema di Controllo sull'Informativa Societaria (SCIS), il Collegio Sindacale ha esaminato il rapporto annuale predisposto dalla massima posizione amministrativa ai sensi dell'art. 154-bis del d.lgs. n. 58/1998. Dalla documentazione esaminata e dalle informazioni acquisite emerge che il sistema risulta correttamente disegnato, adeguatamente documentato e operante. Le attività di monitoraggio svolte nel corso dell'esercizio sui controlli di processo (PLC), sui controlli informatici generali (ITGC) e sui controlli a livello di entità (CELC), nonché le verifiche relative alla segregazione delle funzioni, non hanno evidenziato carenze significative.

Nel corso dell'esercizio il Collegio Sindacale ha inoltre intrattenuto con il soggetto incaricato della revisione legale dei conti un costante e tempestivo scambio di informazioni rilevanti ai sensi dell'art. 2409-septies del Codice civile, acquisendo aggiornamenti in merito alla pianificazione e allo stato di avanzamento delle attività di revisione, alle principali aree di rischio individuate e agli esiti delle verifiche svolte.

Il Collegio Sindacale ha altresì esaminato le relazioni periodiche dell'Organismo di Vigilanza e ha mantenuto con lo stesso un costante flusso informativo nel corso dell'esercizio. Dalle informazioni acquisite risulta che l'Organismo ha svolto con regolarità le attività di vigilanza sull'adeguatezza e sull'effettiva attuazione del Modello di organizzazione, gestione e controllo ai sensi del d.lgs. 231/2001, anche attraverso l'analisi dei flussi informativi, audizioni delle principali funzioni aziendali e il monitoraggio delle segnalazioni pervenute tramite i canali previsti.

Nel corso dell'esercizio la Società ha realizzato rilevanti operazioni straordinarie che hanno interessato la struttura del Gruppo. In particolare, in data 1° aprile 2025 Italgas S.p.A. ha perfezionato l'acquisizione di 2i Rete Gas S.p.A. e, successivamente, in data 1° luglio 2025, è

divenuta efficace la fusione per incorporazione di 2i Rete Gas S.p.A. in Italgas Reti S.p.A. L'operazione si inserisce nel più ampio percorso di crescita e consolidamento industriale del Gruppo e ha comportato l'integrazione delle attività e delle infrastrutture di distribuzione del gas precedentemente gestite da 2i Rete Gas, con conseguente ampliamento del perimetro operativo della Società in termini di estensione della rete gestita, numero di comuni serviti e punti di riconsegna.

Il Collegio Sindacale ha seguito l'operazione nell'ambito delle proprie funzioni di vigilanza, acquisendo le informazioni e la documentazione rilevante e partecipando alle riunioni degli organi sociali nelle quali la stessa è stata esaminata e deliberata, verificando il rispetto delle disposizioni normative e statutarie applicabili e senza rilevare elementi di criticità sotto il profilo della correttezza procedurale e della tutela dell'integrità del patrimonio sociale.

A seguito del completamento della fusione, i prestiti obbligazionari precedentemente emessi da 2i Rete Gas S.p.A., collocati presso investitori istituzionali e quotati sul mercato regolamentato di Dublino, sono stati trasferiti in capo a Italgas Reti S.p.A., che è subentrata nei relativi diritti e obblighi contrattuali senza modifiche alle principali condizioni economiche e finanziarie degli strumenti. A seguito del subentro nei citati prestiti obbligazionari quotati, Italgas Reti S.p.A. ha acquisito lo status di Ente di Interesse Pubblico (EIP) ai sensi del d.lgs. 39/2010, con conseguente obbligo di redazione del bilancio consolidato in conformità a quanto previsto dagli articoli 25 e seguenti del d.lgs. n. 127/1991.

Sulla base delle informazioni acquisite e delle verifiche svolte, il Collegio Sindacale non ha rilievi da formulare in merito all'adeguatezza dell'assetto organizzativo, amministrativo e contabile della Società, né al funzionamento del sistema di controllo interno e del Sistema di Controllo sull'Informativa Societaria.

Nel corso dell'attività di vigilanza svolta nell'esercizio non sono pervenute al Collegio Sindacale denunce ai sensi dell'art. 2408 del Codice civile né esposti o segnalazioni da parte di terzi. Parimenti, non sono emersi fatti significativi, irregolarità o circostanze tali da richiederne menzione nella presente relazione.

Nel corso dell'esercizio il Collegio Sindacale non è stato chiamato a rilasciare pareri, osservazioni o attestazioni previsti da disposizioni di legge o di statuto.

2) Osservazioni in ordine al bilancio d'esercizio

Il progetto di bilancio dell'esercizio chiuso al 31/12/2025 è stato approvato dal Consiglio di Amministrazione in data 3 marzo 2026 ed è composto dallo stato patrimoniale, dal conto economico, dal rendiconto finanziario e dalla nota integrativa. Il Consiglio di Amministrazione ha inoltre predisposto la relazione sulla gestione, ai sensi dell'art. 2428 del c.c.

Da quanto riportato nella relazione del soggetto incaricato della revisione legale "... il bilancio d'esercizio fornisce una rappresentazione veritiera e corretta della situazione patrimoniale e finanziaria della Società al 31 dicembre 2025, del risultato economico e dei flussi di cassa per l'esercizio chiuso a tale data in conformità ai principi contabili IFRS emanati dall'International Accounting Standards Board e adottati dall'Unione Europea".

Il Collegio sindacale, da parte sua, ha accertato l'osservanza delle norme di legge inerenti, la formazione e l'impostazione del bilancio d'esercizio della Società e della Relazione sulla Gestione.

Per quanto di nostra conoscenza, gli Amministratori hanno redatto il bilancio nella prospettiva della continuazione dell'attività; inoltre, nella redazione del bilancio, non hanno derogato alle norme di legge ai sensi dell'art. 2423, co. 5, c.c.

Si rileva che nel corso dell'esercizio 2025 la Società ha posto operazioni con parti correlate, rappresentate dallo scambio di beni e la prestazione di servizi.

Questi rapporti rientrano nell'ordinaria gestione dell'impresa e sono generalmente regolati in base a condizioni di mercato, cioè alle condizioni che si sarebbero applicate fra due parti indipendenti. Tutte le operazioni attuate sono state compiute nell'interesse delle imprese del Gruppo Italgas Reti.

3) Osservazioni in ordine al bilancio consolidato

La Società ha predisposto anche il bilancio consolidato del Gruppo Italgas Reti al 31 dicembre 2025, redatto dagli Amministratori in conformità agli International Financial Reporting Standards (IFRS) emanati dall'International Accounting Standards Board e omologati dall'Unione Europea ai sensi del Regolamento (CE) n. 1606/2002 e del d.lgs. 38/2005.

Nel corso dell'esercizio 2025, come accennato precedentemente, il Gruppo è stato interessato da rilevanti operazioni societarie; in particolare, a seguito dell'acquisizione di 2i Rete Gas S.p.A. da parte di Italgas S.p.A. e della successiva fusione per incorporazione di 2i Rete Gas S.p.A. in Italgas Reti S.p.A., perfezionata in data 1° luglio 2025, la Società è divenuta titolare delle obbligazioni emesse da 2i Rete Gas quotate sul mercato Euronext Dublin, acquisendo conseguentemente lo status di Ente di Interesse Pubblico (EIP) ai sensi del d.lgs. 39/2010 e l'obbligo di redazione del bilancio consolidato.

Il bilancio consolidato, corredato dalla relativa relazione sulla gestione e dalla documentazione prevista dalla normativa applicabile, è stato messo a disposizione del Collegio Sindacale nei termini di legge. Nell'ambito delle proprie funzioni di vigilanza, il Collegio ha acquisito informazioni sul processo di predisposizione del bilancio consolidato e sull'impostazione generale del processo di consolidamento, con particolare riferimento all'individuazione dell'area di consolidamento, ai criteri contabili adottati, alle modalità di raccolta e aggregazione dei dati provenienti dalle società incluse nel perimetro di consolidamento nonché ai principali aspetti valutativi rilevanti ai fini della rappresentazione della situazione economica, patrimoniale e finanziaria del Gruppo.

Il Collegio Sindacale ha altresì monitorato, per quanto di propria competenza, l'adeguatezza del processo di formazione dell'informativa finanziaria consolidata e dei presidi organizzativi e procedurali a supporto dello stesso, acquisendo informazioni dalle competenti strutture aziendali e mantenendo un costante flusso informativo con gli Amministratori e con le funzioni preposte alla predisposizione dei dati contabili consolidati.

Nello svolgimento delle proprie funzioni e nell'ambito dei compiti attribuiti dalla normativa vigente agli organi di controllo degli enti di interesse pubblico, il Collegio Sindacale ha inoltre intrattenuto un regolare scambio informativo con la società incaricata della revisione legale dei conti Deloitte & Touche S.p.A., acquisendo informazioni in merito alla pianificazione delle attività di revisione, allo svolgimento delle verifiche sul bilancio consolidato e agli esiti delle stesse, nonché alle eventuali osservazioni emerse nel corso dell'attività di revisione.

Sulla base delle informazioni acquisite e delle attività di vigilanza svolte nell'ambito delle proprie competenze, il Collegio Sindacale non ha osservazioni da formulare in merito al processo di predisposizione del bilancio consolidato del Gruppo Italgas Reti al 31 dicembre 2025, fermo restando che il giudizio professionale sul bilancio consolidato è espresso dalla società di revisione nella propria relazione ai sensi dell'art. 14 del D.lgs. 39/2010.

Il Collegio Sindacale ha ricevuto dalla Società di Revisione in data odierna, ai sensi dell'articolo 11 del Regolamento UE n. 537 /2014, la Relazione al Comitato per il Controllo Interno e la

Revisione contabile {cd. Relazione aggiuntiva), dalla quale non sono risultate carenze significative sul sistema di controllo interno in relazione al processo di informativa finanziaria, meritevoli di essere portate all'attenzione del Collegio stesso.

4. Informazioni di cui alla Dichiarazione di Sostenibilità ex D. Lgs 125/2024

Si evidenzia che - a norma del D. Lgs 125/2024 ed in accordo con gli standards ESRS emanati dall'EFRAG (di seguito il "Decreto") - per quanto riguarda la comunicazione di informazioni di carattere non finanziario e di informazioni sulla diversità da parte di talune imprese, inclusi gli Enti di Interesse Pubblico, e di taluni gruppi di grandi dimensioni - il Collegio Sindacale vigila sull'osservanza delle disposizioni stabilite nel Decreto stesso e ne riferisce nella relazione annuale all'Assemblea, "nell'ambito dello svolgimento delle funzioni attribuite a detto organo dalle norme generali dell'ordinamento" di cui all'articolo 2403 e.e.

Il Collegio Sindacale ha verificato, per quanto di competenza, che la Società ha assolto agli obblighi di cui alle disposizioni del Decreto attraverso la redazione di apposita Dichiarazione consolidata di sostenibilità (DS), da questo esercizio inserita ope legis nel fascicolo di bilancio con la denominazione di Dichiarazione di Sostenibilità e che, nell'ambito delle proprie attività, pur avendo constatato la particolare complessità della normativa applicabile alla redazione della DS, non ha comunque avuto evidenza di elementi di non conformità e/o violazione della normativa di riferimento applicabile.

In particolare, il Collegio Sindacale ha incontrato in più occasioni i rappresentanti delle funzioni competenti di Italgas Reti e della società di revisione per un approfondimento in merito (i) alle previsioni introdotte dal Decreto, (ii) al processo aziendale di predisposizione della DS e (iii) agli standard internazionali di rendicontazione adottati.

Il Collegio Sindacale ha infine preso atto della relazione della società di revisione Deloitte & Touche Spa, emessa in data 19 marzo 2026, dalla quale si evince l'assenza di elementi, fatti o circostanze che possano far ritenere che la DNF non sia stata redatta in conformità alla normativa di riferimento.

5) Osservazioni e proposte in ordine all'approvazione del bilancio

Il Collegio Sindacale, tenuto conto di quanto sopra esposto, per quanto di propria competenza, considerate le risultanze dell'attività svolta e il giudizio espresso nella Relazione di Revisione rilasciata dal soggetto incaricato della revisione legale dei conti, non rileva motivi ostativi all'approvazione del bilancio d'esercizio e del bilancio consolidato al 31 dicembre 2025, così come redatto dal Consiglio di Amministrazione e alla relativa proposta di destinazione del risultato d'esercizio.

Torino, 19 marzo 2026
Per il Collegio Sindacale

Il Presidente del Collegio Sindacale

Independent Auditors' Report

**INDEPENDENT AUDITOR'S REPORT
PURSUANT TO ARTICLE 14 OF LEGISLATIVE DECREE No. 39 OF JANUARY 27, 2010
AND ARTICLE 10 OF THE EU REGULATION 537/2014**

**To the Sole Shareholder of
Italgas Reti S.p.A.**

REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS

Opinion

We have audited the financial statements of Italgas Reti S.p.A. (the "Company"), which comprise the statement of financial position as at December 31, 2025, the income statement, the statement of comprehensive income, the statement of changes in equity and the statement of cash flow for the year then ended, and explanatory note to the financial statements, including material accounting policy information.

In our opinion, the accompanying financial statements give a true and fair view of the financial position of the Company as at December 31, 2025, and of its financial performance and its cash flows for the year then ended in accordance with IFRS Accounting Standards as issued by the International Accounting Standards Board and adopted by the European Union.

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISA Italia). Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report. We are independent of the Company in accordance with the ethical requirements applicable under Italian law to the audit of the financial statements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Ancona Bari Bergamo Bologna Brescia Cagliari Firenze Genova Milano Napoli Padova Parma Roma Torino Treviso Udine Verona

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Codice Fiscale/Registro delle Imprese di Milano Monza Brianza Lodi n. 03049660166 - R.E.A. n. 16-1720239 | Panta NA: IT 03049660166

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Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Investments in service concession agreements for the natural gas distribution and metering services and related impairment test

Description of the key audit matter

As at December 31, 2025, the Company accounts for intangible assets including the captions "Service concession arrangements" and "Work in progress and payments on account IFRC 12", respectively equal to euro 11,023,131 thousand and euro 222,711 thousand, mainly related to investments made for development and maintenance of the infrastructures related to the service concession agreements for the natural gas distribution and metering services. Investments made in the financial year relating to these items of intangible assets totaled euro 707,607 thousand. The goodwill allocated to the sole cash-generating unit "distribution and metering of natural and other gases" amounts to euro 510,319 thousand.

The natural gas distribution and metering activity is regulated by the Regulatory Authority for Energy, Networks and Environment (Autorità di Regolazione per Energia Reti e Ambiente, "ARERA"), which define, among the others, the rules for the remuneration of the natural gas distribution and metering services.

In particular, the regulated revenues for the natural gas distribution and metering services provided by the Group are determined by ARERA and provide for recognition of a predefined return on net invested capital recognized for regulatory purposes (RAB – Regulatory Asset Base), relative depreciation and certain operating expenses – the so-called "revenue cap". The RAB value is mainly determined through the "revalued historical cost" by ARERA.

At the end of the financial year, the Group's Management assessed the recoverability of non-financial fixed assets related to the natural gas distribution and metering services comparing the carrying amount, represented by the net invested capital of the relative cash-generating unit, with the corresponding recoverable amount. In performing the impairment test, the recoverable amount of the cash-generating unit "distribution and metering of natural and other gases" was estimated according to the methodology of the RAB updated as at the balance sheet date. No impairment loss resulted from the test.

We consider that investments in service concession agreements related to the natural gas distribution and metering services and the related impairment test represent a key audit matter for the Company's financial statements as at December 31, 2025 due to: (i) the relevance of the intangible assets related to such service concession agreements compared to the Company's total assets, (ii) the relevance of the investments made during the year, (iii) their impact in determining the revenue cap for the remuneration of the natural gas distribution and metering services, and (iv) the estimation component in determining the recoverable amount of the assets.

Paragraphs "4) Material accounting policies – Intangible assets", "4) Material accounting policies – Impairment of non-financial assets", "5) Use of estimates" included in the consolidated financial statements and referred to in the separate financial statements and paragraph and "14) Intangible assets" of the separate financial statements include the disclosure on the investments and the relative impairment test.

Audit procedures performed

With reference to investments in service concession agreements for the natural gas distribution and metering services and the relative impairment test, our audit procedures included, among the others, the following:

- Understand the processes and relevant controls related to the recognition of such investments in the financial statements and assessment of their operating effectiveness.
- Understand the processes and relevant controls related to impairment test.
- Critical analysis of the composition of the intangible assets caption, including the analysis of any unusual item.
- For a sample of investment items accounted within intangible assets for which the amortization process begins during the year, test of the accurate start of depreciation when the asset is available for use and aging analysis of the assets capitalized within work in progress.
- With reference to investments and disposals occurred during the period, selection of a sample of transactions and test of the compliance with the criteria provided by accounting standards.

- Assessment of the consistency between the useful life used for the depreciation of the assets under concession and their regulatory useful life and reperforming of the period depreciation.
- Discussion meetings with the Company's Management in order to understand the impairment test methodology.
- Assessment that the impairment test methodology adopted by Management is in compliance with applicable accounting principles, also using the work of experts of the Deloitte network.
- Assessment of the reasonableness of the assumptions underlying the determination of the recoverable amount.

Finally, we assessed the adequacy of the disclosure provided in the notes and its compliance with the accounting standards.

Recognition of 2i Rete Gas merger

Description of the key audit matter

On July 1, 2025, the merger by incorporation of 2i Rete Gas into Italgas Reti became effective, following the acquisition of 99.94% of 2i Rete Gas S.p.A. by the sole shareholder Italgas S.p.A., which was completed on April 1, 2025.

The transaction was recognized in the separate financial statements at the values resulting from the consolidated financial statements of the common group, consistently with the approach outlined in Assirevi OPI Guidance Notes No. 1 (Revised) and No. 2 (Revised). The transaction was consequently accounted for making reference to the fair value of the acquired assets and liabilities, as determined by the parent company Italgas S.p.A., also with the support of independent experts, in the Purchase Price Allocation process in accordance with IFRS 3.

The recognition of values in the merger process resulted, among other, in the recognition of Intangible assets (including goodwill) and Other non-current liabilities respectively equal to euro 5,832,104 thousand and to euro 738,643 thousand mainly related to service concession agreements for the natural gas distribution which fall under the scope of application of IFRIC 12 "Service Concession Arrangements", and the recognition of Current financial liabilities and Non-current financial liabilities respectively equal to euro 551,493 thousand and to euro 2,506,831 thousand, as well as the related deferred tax.

Considering the complexity of the underlying valuation matters affecting the recognition value for the business acquired, as well as the relevance of the related effects, we considered the recognition of the merger of 2i Rete Gas a key audit matter of the Company's financial statements.

Paragraphs "3) Consolidation principles – Business combinations", "5) Use of estimates" of the consolidated financial statements and "6) Corporate transaction" of the separate financial statements include the disclosure on the process followed by the Company Management and the effects in the separate financial statements.

Audit procedures performed

As part of our audit work, we carried out the following procedures also using the work of experts of the Deloitte network:

- Analysis of the merger documentation in order to understand the relevant terms and conditions.
- Understand the processes and relevant controls adopted by the Company related to the accounting of the merger and the recognition of the related accounting data.
- Understand the criteria used by the Management for the recognition of the transaction and examination of the related documentation.
- Analysis of the documentation supporting the valuations underlying the allocation of the purchase price and of the related report prepared respectively by Italgas S.p.A. management and the independent experts appointed by the same entity and made available to the Company.
- Assessment of the competence, capacity and objectivity of independent experts appointed by Italgas S.p.A. management.
- Analysis of the reasonableness of the main assumptions adopted to determine the fair value of the acquired assets and liabilities.

Finally, we assessed the adequacy of the disclosure provided in the notes and its compliance with the accounting standards.

Responsibilities of the Directors and the Board of Statutory Auditors for the Financial Statements

The Directors are responsible for the preparation of financial statements that give a true and fair view in accordance with IFRS Accounting Standards as issued by the International Accounting Standards Board and adopted by the European Union, and, within the terms established by law, for such internal control as the Directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Directors are responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless they have identified the existence of the conditions for the liquidation of the Company or for the termination of the operations or have no realistic alternative to such choices.

The Board of Statutory Auditors is responsible for overseeing, within the terms established by law, the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with International Standards on Auditing (ISA Italia) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with International Standards on Auditing (ISA Italia), we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control;
- obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control;
- evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Directors;
- conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern;

- evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance, identified at an appropriate level as required by ISA Italia, regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence applicable in Italy, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence and, where applicable, actions taken to eliminate threats or safeguards applied.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditors' report.

Other information communicated pursuant to art. 10 of the EU Regulation 537/2014

The Shareholders' Meeting of Italgas Reti S.p.A. has appointed us on February 19, 2026 as auditors of the Company for the years from December 31, 2025 to December 31, 2033.

We declare that we have not provided prohibited non-audit services referred to in art. 5 (1) of EU Regulation 537/2014 and that we have remained independent of the Company in conducting the audit.

We confirm that the opinion on the financial statements expressed in this report is consistent with the additional report to the Board of Statutory Auditors, in its role of Audit Committee, referred to in art. 11 of the said Regulation.

REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

Opinions and statement pursuant to art. 14, paragraph 2 e), e-bis) and e-ter), of Legislative Decree 39/10 and pursuant to art. 123-bis, paragraph 4, of Legislative Decree 58/98

The Directors of Italgas Reti S.p.A. are responsible for the preparation of the report on operations including some specific information set forth in art. 123-bis, paragraph 2 (b) of the Company as at December 31, 2025, including its consistency with the related financial statements and its compliance with the law.

We have carried out the procedures set forth in the Auditing Standard (SA Italia) n. 720B in order to:

- express an opinion on the consistency of the report on operations including some specific information contained set forth in art. 123-bis, paragraph 2 (b) of Legislative Decree 58/98 with the financial statements;

- Express an opinion on the compliance with the law of the report on operations including some specific information contained set forth in art. 123-bis, paragraph 2 (b) of Legislative Decree 58/98, excluding the section related to the consolidated sustainability statement;
- make a statement about any material misstatement in the report on operations including some specific information contained set forth in art. 123-bis, paragraph 2 (b) of Legislative Decree 58/98.

In our opinion, the report on operations including some specific information set forth in art. 123-bis, paragraph 2 (b) of Legislative Decree 58/98 is consistent with the financial statements of Italgas Reti S.p.A. as at December 31, 2025 and is prepared in accordance with the law.

In addition, in our opinion, the report on operations including some specific information set forth in art. 123-bis, paragraph 2 (b) of Legislative Decree 58/98, excluding the section related to the consolidated sustainability statement, and is prepared in accordance with the law.

With reference to the statement referred to in art. 14, paragraph 2 sub-paragraph e-ter), of Legislative Decree 39/10, made on the basis of the knowledge and understanding of the entity and of the related context acquired during the audit, we have nothing to report.

Our opinion on the compliance with the law does not extend to the section related to the consolidated sustainability statement. The conclusions on the compliance of that section with the law governing criteria of preparation and with the disclosure requirements outlined in art. 8 of the EU Regulation 2020/852 are expressed by us in the assurance report pursuant to art. 14-bis of Legislative Decree 39/10.

DELOITTE & TOUCHE S.p.A.

Signed by
Gilles Villa
Partner

Milan, Italy
March 19, 2026

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

ANNEXES TO THE NOTES TO THE
CONSOLIDATED FINANCIAL STATEMENTS

Annexes to the notes to the consolidated financial statements

Companies and equity investments of Italgas Reti S.p.A. as at 31 December 2025

In compliance with the provisions of Consob communication DEM/6064293 of 28 July 2006 and of articles 38 and 39 of Italian Legislative Decree 127/1991, the list of subsidiary and related companies of Italgas Reti S.p.A. as at 31 December 2025, as well as other relevant shareholdings, are reported below.

The name, registered office, share capital, shareholders and respective percentages of ownership are reported for each company. For companies consolidated using the line-by-line method, the consolidated percentage pertaining to Italgas and the segment to which they belong is indicated. The measurement criterion is indicated for companies not consolidated using the line-by-line method.

The companies of Italgas Reti S.p.A. as at 31 December 2025 are broken down as follows:

CONSOLIDATING COMPANY

Name	Registered office	Currency	Share capital	Shareholders	% ownership	% consolidated pertaining to Italgas Reti	Consolidation method or measurement criterion	Operating segment
Italgas Reti S.p.A.	Turin	Eur	252,263,314	Italgas S.p.A.	100%	100%	full consolidation	Gas distribution

SUBSIDIARY COMPANIES

Name	Registered office	Currency	Share capital	Shareholders	% ownership	% consolidated pertaining to Italgas	Consolidation method or measurement criterion	Operating segment
Medea S.p.A.	Sassari	Eur	95,500,000	Italgas Reti S.p.A. Non-controlling Interests	51.85% 48.15%	51.85%	full consolidation	Gas distribution
Cilento Reti Gas S.r.l.	Florence	Eur	146,214,387	Italgas Reti S.p.A. Non-controlling Interests	60.00% 40.00%	60.00%	full consolidation	Gas distribution

ASSOCIATES

Name	Registered office	Currency	Share capital	Shareholders	% ownership	Consolidation method or measurement criterion
Energie Rete Gas S.r.l.	Milan	Eur	11,000,000	Medea S.p.A. Non-controlling Interests	49.00% 51.00%	equity measurement
Melegnano Energia Ambiente S.p.A.	Melegnano (MI)	Eur	4,800,000	Italgas Reti S.p.A. Non-controlling Interests	40.00% 60.00%	equity measurement

OTHER COMPANIES

Name	Registered office	Currency	Share capital	Shareholders	% ownership	Consolidation method or measurement criterion
Reti Distribuzione S.r.l.	Ivrea (TO)	Eur	20,000,000	Italgas Reti S.p.A. Non-controlling Interests	15.00% 85.00%	fair value measurement
Acqua Campania S.p.A.	Naples	Eur	4,950,000	Italgas Reti S.p.A. Nepta S.p.A. Non-controlling Interests	0.53% 95.70% 3.77%	fair value measurement

Fees for auditing and services other than auditing

Pursuant to art. 149 second paragraph of Consob resolution 11971 of 14 May 1999, and subsequent amendments, the fees for the year due to the auditing firm Deloitte & Touche S.p.A. are indicated below. for the services provided to the parent company Italgas Reti S.p.A and its subsidiaries.

(€ thousands)

Type of services	Subject that provided the service	Recipient	Remuneration
Audit (*)	Parent company's independent auditor	Parent company	542
	Parent company's independent auditor	Subsidiaries	65
Certification services (**)	Parent company's independent auditor	Parent company	64
	Parent company's independent auditor	Subsidiaries	4
			674

(*) The auditing services basically include: (i) the audit of the Consolidated Financial Statements and the Financial Statements for the year of Italgas Reti S.p.A., its subsidiaries and joint ventures; (ii) the limited audit of the interim financial statements; (iii) audits during the year pursuant to Article 14, letter b of Legislative Decree no. 39/2010; (iv) the audit of the separate annual accounts pursuant to the Integrated Text on Accounting Unbundling (TIUC).

(**) The certification services regard: (i) the audit of the financial reporting control system; (ii) procedures connected with certification of the investments for tariff purposes.