

**ANNUAL
REPORT
2025**



2025 MAIN INDICATORS

CDP RETI Group

CONSOLIDATED NET INCOME

2.7

bn euro

CONSOLIDATED NET INCOME
PERTAINING TO THE GROUP

742.3

mln euro

TOTAL CONSOLIDATED ASSETS

91.2

bn euro

CONSOLIDATED EQUITY

23.0

bn euro

GROUP EQUITY

5.6

bn euro

CDP RETI S.p.A.

NET INCOME

556.6

mln euro

TOTAL ASSETS

5.5

bn euro

EQUITY

3.8

bn euro

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This document may contain inside information, the disclosure of which constitutes an offence under the Market Abuse Regulation (EU) No. 596/2014.

CORPORATE BODIES AS AT 31 DECEMBER 2025

BOARD OF DIRECTORS (*)

Giovanni Gorno Tempini	<i>Chairman</i>
Dario Scannapieco (**)	<i>Chief Executive Officer</i>
Sabrina Coletti	<i>Director</i>
Xue Xia (***)	<i>Director</i>
Qinjing Shen (****)	<i>Director</i>

BOARD OF STATUTORY AUDITORS (*)

Florinda Aliperta	<i>Chairman</i>
Paola Dinale	<i>Statutory Auditor</i>
Paolo Sebastiani	<i>Statutory Auditor</i>

Independent Auditors (***)** Deloitte & Touche S.p.A.

- (*) Appointed by the Shareholders' Meeting of 20 January 2021 for the three-year period 2021-2023, with a mandate ending after the approval of the 2023 financial statements, which took place on 13 May 2024, when the Shareholders' Meeting postponed discussion on renewing the corporate bodies - and is now in extension.
- (**) Appointed by co-option by the Board of Directors on 1 July 2021 to replace Fabrizio Palermo, who submitted his resignation on 7 June 2021. The Shareholders' Meeting held on 31 March 2022 renewed the appointment of Mr. Scannapieco as a member of the Board of Directors with term of office aligned with that of the other Directors in office. In addition, the Board of Directors' meeting held on the same date appointed Mr. Dario Scannapieco as Chief Executive Officer of the Company.
- (***) Appointed by co-option by the Board of Directors on 8 April 2025, replacing Yianli Liu, who resigned on 27 March 2025, with effect from the date of the appointment. The Shareholders' Meeting held on 17 April 2025 confirmed Dr Xia as a member of the Board of Directors, with her term aligned to that of the other current Directors.
- (****) Appointed by co-option by the Board of Directors on 18 November 2021, replacing Yunpeng He, who resigned on 25 October 2021, with effect from the date of the appointment. The Shareholders' Meeting held on 31 March 2022 renewed the appointment of Mr. Shen as a member of the Board of Directors with term of office aligned with that of the other Directors in office.
- (*****) Engagement granted by the Shareholders' Meeting of 10 May 2019 for the period 2020-2028. That Shareholders' Meeting also approved the mutually agreed termination of the auditing agreement between CDP RETI and PricewaterhouseCoopers S.p.A., in accordance with the agreement for the mutually agreed termination signed by the parties and with effect from the date of approving the financial statements at 31 December 2019.

1 REPORT ON OPERATIONS OF THE GROUP



- 1. Presentation of the Group*
- 2. Significant events taking place in the year by sector/company*
- 3. Organisational structure*
- 4. Balance sheet and income statement figures*
- 5. Business outlook*
- 6. Significant events after 31 December 2025*
- 7. Other information*
- 8. Report on corporate governance and ownership structure of CDP RETI*

1. PRESENTATION OF THE GROUP

1.1 ROLE AND MISSION OF THE GROUP

PARENT COMPANY

CDP RETI S.p.A. (“CDP RETI” or “Company”) is an investment vehicle established in October 2012 and converted from an Italian law limited liability company into an Italian law joint-stock company in May 2014, whose shareholders are Cassa depositi e prestiti S.p.A. - CDP - (59.1% as of 31 December 2025), State Grid Europe Limited - SGEL - (35.0% as of 31 December 2025), a company within the State Grid Corporation of China group, and certain Italian institutional investors (5.9% as of 31 December 2025, attributable to Cassa Nazionale di Previdenza e Assistenza Forense and 33 banking foundations). The Company is subject to management and coordination by CDP.

As of 31 December 2025, the share capital is 165,970.80 euro fully paid up and represented by 6,638,832 special shares (CDP: 3,923,682 category A shares, SGEL: 2,323,595 category B shares, Others: 391,555 category C shares), with no nominal value.

The corporate purpose of CDP RETI is the holding as well as ordinary and extraordinary management, directly and/or indirectly, of equity investments in Snam S.p.A. (“Snam”) (31.35% as of 31 December 2025), Italgas S.p.A. (“Italgas”) (25.94% as of 31 December 2025) and Terna S.p.A. (“Terna”) (29.85% as of 31 December 2025), with the Company acting as a long-term investor with the objective of supporting the development of transport, dispatching, regasification, storage and distribution infrastructures for natural gas, as well as electricity transmission.

More specifically, in 2012 the Company, as a result of the provisions contained in the Italian Prime Minister’s Decree (“DPCM”) of 25 May 2012 which defined the procedures and terms for the ownership unbundling¹ of Snam S.p.A. from ENI S.p.A. (aimed at making the market more open and thus creating the conditions for greater competition), acquired an equity investment in Snam from ENI, representing 30% of the voting capital less one share, for 3.47 euro per share (overall purchase value of approximately 3.5 billion euro). As a result of the sale, Snam is no longer subject to the control, management and coordination by ENI and operates under the ownership unbundling regime in accordance with the Italian Prime Minister’s Decree of 25 May 2012.

Subsequently, on 27 October 2014, with the objective of pooling, within the assets of one party, the equity investments in the companies that manage infrastructural networks of strategic national interest, and within the context of opening the share capital of CDP RETI to third-party investors (SGEL and Italian institutional investors), CDP RETI was assigned the entire equity investment held by CDP in Terna, representing 29.851% of the share capital. The assignment of this equity investment, acquired from ENEL S.p.A. in 2005, was carried out at the same carrying value (around 1.3 billion euro) at which it was entered on the CDP financial statements at 31 December 2013, enabling CDP RETI to assume the role of sub-holding of reference for the CDP group as regards the energy infrastructure sector.

On 7 November 2016, following the partial and proportional Spin-off of the equity investment held by Snam in Italgas and the admission to trading on the Italian equities market (MTA) of the Italgas shares² (Beneficiary Company), CDP RETI was assigned 202,898,297 Italgas shares, in proportion to those already held in Snam on the effective date of the Spin-off. The assignment was one Italgas share for every five Snam shares owned. Reference is made to the section “Significant events during the year by sector/activity – CDP RETI” with regard to the additional subscription of 52,684,606 Italgas shares, completed in the first half of 2025.

Finally, on 19 May 2017, the transfer of shareholdings in Snam S.p.A. (1.12%) and Italgas S.p.A. (0.97%) from CDP to CDP RETI was completed. The overall sale price agreed was 187.6 million euro, of which 155.9 million euro for the 1.12% equity investment in Snam and 31.7 million euro for the 0.97% equity investment in Italgas.

¹ Separation between the owner of natural gas production and/or supply activities and the owner and/or operator of natural gas transmission activities.

² Company incorporated on 1 June 2016 specifically to implement the spin-off, at first as ITG Holding S.p.A. and then as Italgas S.p.A. on submission of the application for admission to listing of ordinary shares on the MTA. On the same date, the operating company Italgas S.p.A. took the name of Italgas Reti S.p.A.

DIRECT SUBSIDIARIES AND RELATED AREA OF CONSOLIDATION

For over 80 years, Snam has operated in the gas infrastructure sector, carrying out its core activities of transportation, dispatching, storage and regasification of natural gas within the European and national energy context, ensuring energy security.

Aware of the environment in which it operates, the Company has progressively integrated into its activities the development of carbon capture and storage (Carbon Capture and Storage – CCS) and hydrogen projects, as well as Market Solutions businesses – biomethane, energy efficiency and sustainable mobility – which contribute to achieving energy independence.

Leveraging innovation, digitalisation and sustainability, together with the expertise of over 4,000 group employees, Snam's businesses will contribute synergistically to the achievement of emission reduction targets – carbon neutrality by 2040 and net zero emissions by 2050 – while positioning Snam at the forefront of energy vector integration, innovation and the strengthening of national infrastructure, with the aim of ensuring energy security and competitiveness.

Snam Group

Storage

The storage system stores gas during periods of lower demand (generally in the summer period) and supplies natural gas during peak demand periods or in the event of shortages or temporary interruptions of imports (typically in the winter period). In addition, storage activities are essential for managing demand fluctuations linked to seasonal dynamics and represent a strategic solution against unforeseen events or unexpected increases in demand due to specific weather conditions. Furthermore, storage ensures the availability of strategic gas volumes to offset potential interruptions or reductions in extra-European supplies or to address temporary crises in the gas system. With **12 storage sites**, operated through its subsidiaries Stogit and Stogit Adriatica (formerly Edison Stoccaggio), and accounting for approximately one-sixth of the European Union's total storage capacity, Snam ensures the optimal management of national gas reserves, supporting timely refilling for energy security purposes and implementing increasingly flexible injection and withdrawal campaigns. This positions the group as a system operator, within a framework of efficient integration with transport and regasification infrastructure. By 2030, Snam plans to continue expanding and upgrading its storage sites, including the installation of two dual-fuel compression stations to support the integration of renewable energy sources.

Transport

Through its transportation business, Snam manages the flow of natural gas from import points, regasification facilities, and production and storage centres across the nation, ultimately reaching the delivery points connected to the import pipelines. From here, the gas is further transported and delivered to the delivery points connected to local distribution networks, as well as large industrial and thermoelectric users. Snam ensures the transport of natural gas throughout Italy using an extensive pipeline system managed by its subsidiary, Snam Rete Gas. This system guarantees high safety and environmental sustainability standards, avoiding road transportation, which is less efficient and less reliable. Thanks to its extensive expertise, Snam designs and builds environmentally integrated infrastructure, balancing operational efficiency with environmental respect. To guarantee national energy distribution and security, Snam operates **13 compression plants** positioned along the pipeline network, ensuring consistent gas pressure and a continuous flow.

Moreover, Snam has established **8 Districts** and a **Dispatching Centre**, the technological heart of the Italian gas network, overseeing and managing the activities of **48 maintenance centres** across the country.

Through the Jarvis digital platform, users of Snam's transport services (known as shippers) can carry out gas transfers and exchanges near the Virtual Trading Points (PSV) of the national network. Under the 2026–2030 Strategic Plan, Snam intends to continue investing in the completion of the Adriatic Line, in the gasification of Sardinia, in the replacement of approximately 976 km of pipelines, in the replacement of four gas turbines with dual-fuel compression stations, and in projects connecting to biomethane plants.

Regasification

Natural gas can be imported in its gaseous state through the pipeline network, or alternatively in its liquid form (LNG), transported by LNG tankers. These technologies represent a global resource that contributes to strengthening energy independence. In addition to liquefaction plants, Floating Storage and Regasification Units (FSRU) provide further support, enhancing energy supply security and diversification in Italy. Through Snam Energy Terminals (formerly Snam FSRU Italia), a subsidiary of Snam, the regasification process of liquefied natural gas (LNG) delivered to Italy by sea is ensured. Natural gas, extracted from reservoirs, undergoes a cooling process that transforms it into a liquid state, significantly reducing its volume. This allows for more efficient transportation via LNG tankers, making it easier to import into the country. In Italy, there are currently **five operational regasification terminals**, with a total **maximum regasification capacity of approximately 28 billion cubic metres**:

- the **onshore Panigaglia plant**, located in the province of La Spezia, built in the 1970s, with a maximum annual output of 3.5 billion cubic metres of gas;

- the **offshore terminal located off Porto Viro**, in the province of Rovigo, owned by Adriatic LNG, with a maximum annual output of 9.5 billion cubic metres of gas;
- the **FSRU-type terminal (FSRU Toscana)**, owned by OLT Offshore, located off the coast between Livorno and Pisa, with a maximum annual output of 5 billion cubic metres;
- the **FSRU-type terminal (Italis LNG)**, located in the port of Piombino, with an annual regasification capacity of 5 billion cubic metres of gas;
- the **FSRU-type terminal (BW Singapore)**, located off the coast of Ravenna, with an annual regasification capacity of 5 billion cubic metres of gas.

Of these, Snam directly operates the terminals of Panigaglia, Piombino and Ravenna, and holds stakes in the Livorno terminal (49.07%) and Porto Viro terminal (30%), acting as operator. Snam is also involved in the development of midstream infrastructure and Small Scale LNG solutions, including small liquefaction units and tanker truck loading facilities, with the aim of supporting the decarbonisation of the off-grid industrial segment in Italy.

Under the 2026–2030 Strategic Plan, Snam aims to upgrade the Panigaglia terminal, contribute to the gasification of Sardinia through the expansion and conversion of the existing coastal depot in Oristano into an FSRU terminal, and strengthen its market position through the acquisition of control of OLT.

Carbon Capture Storage (CCS)

Snam's initiatives relating to carbon capture and storage (CCS) projects are aimed at accelerating the achievement of European and global decarbonisation targets, as they address the most emission-intensive sectors (so-called hard-to-abate), where carbon is an integral part of the production process and cannot be replaced by alternative energy sources.

By 2030, leveraging its role as a leading European operator in the transport and storage of molecules, Snam intends to extend its expertise to the transport and storage of CO₂, continuing to invest in the **Ravenna CCS** project, carried out in an equal joint venture with Eni, aimed at creating an integrated CCS value chain.

Hydrogen (H₂)

Snam's initiatives in the hydrogen sector are aimed at promoting and accelerating the adoption of hydrogen, both in industrial applications and in sustainable mobility, enhancing the role of this energy carrier in supporting the achievement of European and global decarbonisation targets.

Indeed, hydrogen does not emit carbon dioxide or any other gases that contribute to climate change. Its high versatility allows hydrogen to be used both in industrial applications (such as thermal, feedstock, and fuel cells) and in the sustainable mobility sector (trains, refuelling stations for light and heavy vehicles, airports), particularly in hard-to-abate sectors.

In the hydrogen sector, the Strategic Plan confirms investments for the initial development of the Italian segment of the Hydrogen Backbone, the pipeline that will transport hydrogen and is included among the European Union's Projects of Common Interest (PCI) and in the Global Gateways List. The project is of strategic importance as it enables technological diversification and preserves strategic optionality.

Market Solutions

Biomethane

Biomethane is a key contributor to meeting the emission reduction objectives set at the European and national levels, due to its nature as a renewable and sustainable energy source. Thanks to its properties, biomethane can be integrated into existing infrastructure, bringing significant economic and environmental benefits.

Biogas is produced through anaerobic digestion, a fermentation process in which bacteria decompose organic substances (of animal or plant origin) in the absence of oxygen and under controlled temperature conditions. Through a refining and purification process known as upgrading, biogas can be converted into biomethane. This cycle is completed by the production of digestate (a biofertilizer that replaces fertilizers derived from fossil sources and is returned to the soil) and compost (a soil conditioner).

Through Bioenerys' expertise and technical know-how, Snam is committed to promoting the development of biomethane infrastructure and promoting its diffusion on a national scale. The objective is to contribute to value creation, support the integration of the Italian energy system and facilitate the achievement of decarbonisation targets.

Bioenerys is a leading player on an industrial scale, with around 35 plants in operation by the end of 2025, equivalent to 47 MW of biomethane and biogas capacity.

Over the 2026-2030 Plan period, Snam expects to expand the operational capacity of its plants to 74 MW by 2027, leveraging the current incentive scheme.

Energy efficiency

Energy efficiency is a key element in the fight against climate change and in the creation of sustainable and competitive economic systems. It contributes to decarbonisation, promotes economic and social development, and drives technological innovation in a way that remains neutral.

Snam, to date, is one of the leading operators in Italy in the field of energy efficiency services, operating in the residential, industrial, tertiary and public administration sectors through its subsidiary Renovit. The latter was founded in 2021, thanks to a partnership between Snam and CDP Equity, obtaining B-Corp certification in early 2022 and Benefit Company status in 2023. Through Renovit, Snam proposes innovative solutions to improve energy efficiency, investing directly in decarbonisation, digitalisation and promoting self-consumption of energy.

In this sector, Snam plans to develop Energy Performance Contracts, increasing Renovit's total order backlog by over 2 billion euro.

Sustainable mobility

Through Greenture, Snam supports the decarbonisation of the road, maritime and rail transport sectors, as well as for off-grid industrial users, by developing infrastructure dedicated to the use of Bio C-LNG (compressed and liquefied natural gas from biological sources), hydrogen (H₂), and other green molecules.

In particular, Greenture is responsible for developing infrastructure, such as (Bio)LNG and hydrogen refuelling stations, and carries out advocacy activities to raise awareness of the benefits of sustainable fuels and to promote the evolution of supportive regulatory frameworks.



Changes in the scope of consolidation of the Snam group as at 31 December 2025, compared with that in place as at 31 December 2024, relate to:

a. the merger by incorporation:

- of the company GNL Italia S.p.A., owner of the Panigaglia regasification plant, within Snam Energy Terminals S.r.l. (formerly Snam FSRU Italia S.r.l.);
- of the company Asset Company 2 S.r.l., within Infrastrutture Trasporto Gas S.p.A.;
- of Emiliana Agroenergia Società Agricola S.r.l. and Società Agricola Carignano Biogas S.r.l. into BY5 Società Agricola Impianti S.r.l.;

b. inclusion within the scope of consolidation:

- of Stogit Adriatica S.p.A. (formerly Edison Stoccaggio S.p.A.), owner of three storage facilities, following the acquisition of 100% of its share capital by Stogit S.p.A.;
- of Consentia Project S.r.l., active in energy efficiency projects, incorporated in 2025.

The shareholder structure of Snam S.p.A. as at 31 December 2025 is shown below (share capital consisting of 3,360,857,809 shares without nominal value):

CONSOLIDATING COMPANY	SHAREHOLDERS	% OWNERSHIP
Snam S.p.A.	CDP Reti S.p.A.	31.35
	SNAM S.p.A. (treasury shares)	0.15
	Romano Minozzi	7.39
	Other shareholders	61.11

Terna Group

The Terna group is the largest independent electricity transmission system operator in Europe and among the leading operators worldwide in terms of kilometres of lines managed (over 75,000 km).

It is responsible for the transmission and management of electricity flows on the High and Very High Voltage grid throughout Italy, in order to maintain the balance between energy supply and demand (dispatching). It is also responsible for the planning, building and maintenance of the grid.

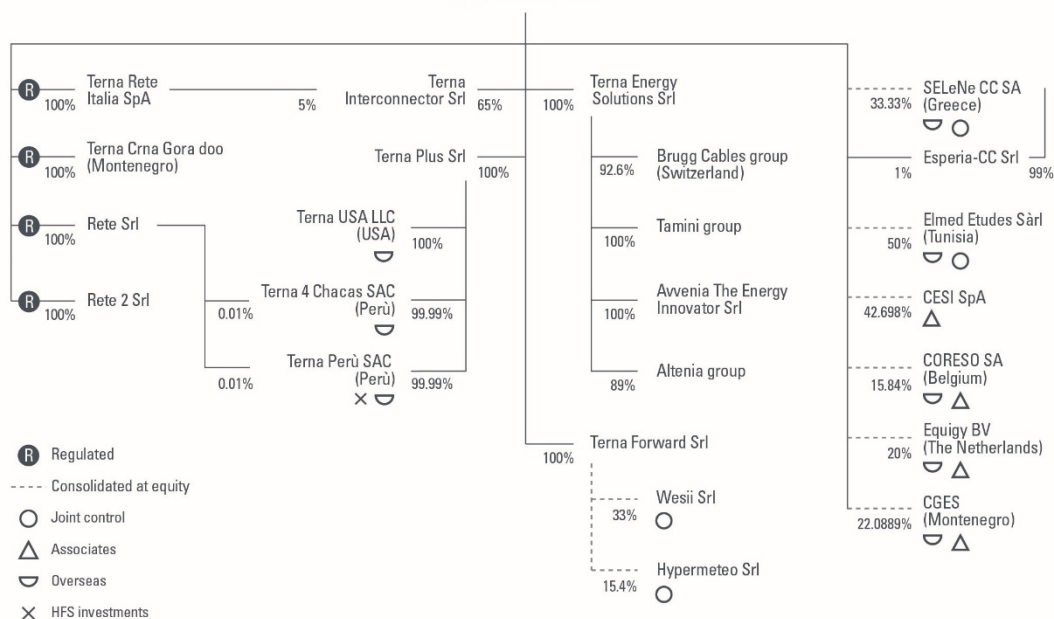
It plays the role of Italian TSO (Transmission System Operator) with a government granted monopoly based on the rules and regulations defined by the Italian Energy, Networks and Environment Regulator (ARERA), and the guidelines issued by Ministry of Enterprise and Made in Italy. It guarantees the safety, quality and cost-effectiveness of the National Electrical System over time and pursues the development of the grid and its integration with the European grid. It ensures conditions of equal access for all Grid users.

The electrical system is composed of:

- Generation: conversion of energy obtained from primary sources into electricity.
- Transmission and Dispatching: the transfer of electricity generated by power plants to the areas of consumption via high-voltage power lines, electric power and transformer stations, and storage systems that make up the transmission grid, guaranteeing a constant balance between electricity supply and demand; through lines interconnecting with foreign countries, the transmission system allows the exchange of electricity between Italy and other countries.
- Distribution: supply of medium and low-voltage electricity to end users.

Terna has been listed on the Italian Stock Exchange since 2004.

In line with the role and objectives of the enabler and director of the ongoing energy and digital transition, below the group's corporate structure at 31 December 2025.



Compared to 31 December 2024, it is noted that:

- on 4 March 2025, LT S.r.l. changed its corporate name to Altenia S.r.l.. With effect from 1 April 2025, through the contribution of a business unit, the company assumed also responsibility for the management of the Energy Services business, previously carried out by Terna Energy Solutions S.r.l.. As a result of this transaction, Terna Energy Solutions S.r.l.'s shareholding in Altenia S.r.l. increased from 87.5% to 89% in April;
- on 29 May 2025, the subsidiary Altenia S.r.l. completed the acquisition of 100% of the share capital of the Italian company Ste Energy S.r.l., which operates in the design, construction, and maintenance of renewable energy plants and electrical infrastructure;
- on 30 May 2025, the subsidiary Terna USA LLC completed the sale of its entire 40% stake in the US-based jointly controlled company BMT Energy Transmission Development LLC to Meridiam Transmission Development LLC, a Delaware limited liability company;
- on 27 August 2025, the liquidation process of Terna Chile S.p.A., formally initiated on 17 December 2024, was completed;
- on 30 September 2025, Terna S.p.A. completed the acquisition of 100% of the share capital of Rete 2 S.r.l., a company controlled by Areti S.p.A. and owner of part of the high-voltage infrastructure of the Acea group located in the metropolitan area of Rome. These assets include 73 high-voltage transmission lines for approximately 481 km of network (overhead and underground lines), an optical fibre network deployed along the high-voltage lines and high-voltage components of three primary substations. The company's mission is the design, construction, management, development, operation and maintenance of high-voltage electricity lines. The operation is consistent with the objectives set out in the update of the group's 2024-2028 Strategic Plan and will generate value and efficiency for the entire electricity system, enabling Terna to manage its infrastructure in a more integrated and efficient manner;
- on 20 October 2025, the subsidiary Terna USA LLC completed the disposal of its entire interest, equal to 0.01% of the share capital, in Terna 4 Chacas S.A.C. and Terna Perú S.A.C. to Rete S.r.l.;
- on 18 December 2025, the subsidiary Terna Forward S.r.l. completed the acquisition of a 15.4% interest in the share capital of the Italian company Hypermeteo S.r.l., an innovative start-up operating in the weather and climate services market through the development of high-resolution weather-climate datasets. The investment strengthens the group's presence in Corporate Venture Capital and enhances its portfolio of investments in technological innovation supporting the energy transition.

At the date of preparation of this report, Terna's share capital amounted to 442,198,240 euro and consisted of 2,009,992,000 ordinary shares with a nominal value of 0.22 euro each fully paid-up.

Based on the periodic assessments carried out by the company, 46.8% of Terna's shares are held by Italian Shareholders and the remaining 53.2% by Foreign Institutional Investors, mainly in the USA and in Europe (excluding the UK).

In September 2025, Terna S.p.A. completed the purchase of 1,060,499 treasury shares (representing 0.053% of the share capital) for a total consideration of 8,999,998.33 euro, in support of the 2025-2029 Performance Share Plan. As at 31 December 2025, Terna S.p.A. held a total of 4,294,627 treasury shares (equal to 0.214% of the share capital).

CONSOLIDATING COMPANY	SHAREHOLDERS	%OWNERSHIP
TERNA S.p.A.	CDP Reti S.p.A.	29.85
	Institutional investors	56.6
	Retail	13.3
	Treasury shares	0.2

Italgas Group

The Italgas group is the leading operator in the distribution of natural gas in Italy and Greece. At the end of 2025, through its subsidiaries³, it managed 156,655 kilometres of medium and low-pressure gas distribution networks, through which it distributed 11,409 million cubic metres of gas in 2025 to 12,867 million customers (delivery points). The service is provided in 4,193 municipalities under concession in Italy and 145 in Greece, with a longstanding presence in the major Italian cities, including Turin, Venice, Florence, Naples and Rome.

Italgas' core business is gas distribution, an activity carried out within the broader national system, which involves the transportation of gas on behalf of authorised sales companies to market it to end customers. In addition to the delivery service, carried out through local gas pipeline networks starting from the city gates (pressure reduction and metering stations interconnected with the transmission networks), the Company also performs metering activities, which include the collection, processing, validation and provision of consumption data in order to regulate commercial transactions between operators and users.

The operating activities relating to the gas distribution business are managed by the following subsidiaries:

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

In Italy, Italgas is subject to regulation by the Italian Energy Networks and Environment Regulator (ARERA), which defines how the service is supplied and the applicable distribution and metering rates. The gas distribution service is supplied under concession arrangements. An equivalent regulatory role in Greece is carried out by the Regulatory Authority for Waste, Energy and Water (RAEWW).

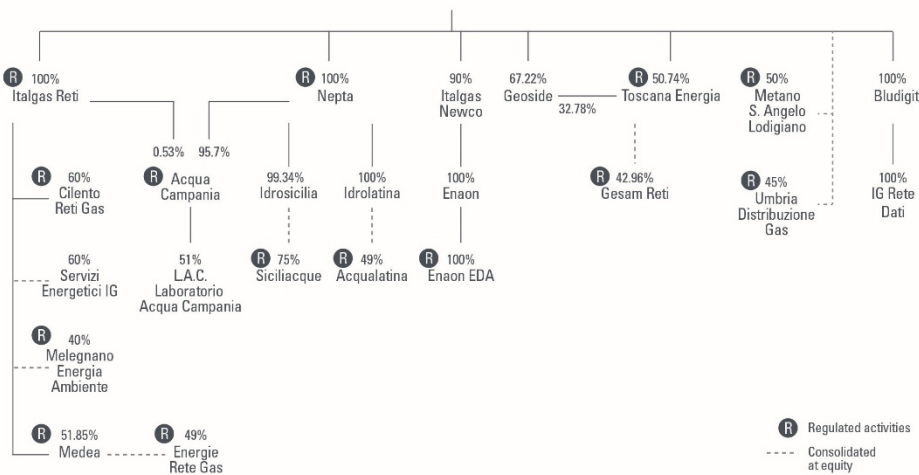
The Italgas group is also active:

- in the concession management of the integrated water service in five municipalities in Campania through Nepta S.p.A. and in 38 municipalities within ATO 4 – Southern Lazio through Acqualatina S.p.A.; in water abstraction, storage, treatment and bulk supply in the Sicily Region through Siciliacque S.p.A.; and in water abstraction, treatment, conveyance and transport of drinking water in the Campania Region through Acqua Campania S.p.A.;
- in the energy efficiency services sector through Geoside S.p.A., its ESCo (Energy Service Company), specialised in energy consultancy and the provision of energy services for both the private, residential, and industrial sectors, as well as for public administration;
- in Information Technology activities, through Bludigit S.p.A., a company that centralises all IT activities of the Italgas group and provides proprietary digital solutions, making the expertise and digital solutions developed internally and by its subsidiary IG Rete Dati S.r.l. available to operators in both the energy sector and other industries.

The structure of the Italgas group as at 31 December 2025 differed from that as at 31 December 2024 following: (i) the completion, on 1 April 2025, of the acquisition of 99.94% of the share capital of 2i Rete Gas S.p.A. from F2i SGR S.p.A. and Finavias S.à.r.l.; subsequently, on 16 April 2025, a share consolidation of 2i Rete Gas S.p.A. became effective, allowing Italgas to reach 100% ownership of the company's shares; (ii) the merger of Acqua into Nepta, with accounting and tax effects effective from 1 January 2025; (iii) the merger by incorporation of 2i Rete Gas S.p.A. into Italgas Reti, effective from 1 July 2025; and (iv) the transfer of the IT business unit of 2i Rete Gas, including its shareholding in IG Rete Dati to Bludigit.

Below is the structure of the group.

³ Includes the parent company, direct and indirect subsidiaries, associated companies and jointly controlled companies.



The company's share capital at 31 December 2025 consisted of 1,015,686,402 shares, without a nominal value, for a total share capital of 1,257,354,634.08 euro.

Based on the evidence in the shareholders' register, the information available and the communications received pursuant to art. 120 of the Consolidated Law on Finance, the holders of significant equity investments as at 31 December 2025 are listed below.

CONSOLIDATING COMPANY	SHAREHOLDERS	% OWNERSHIP
ITALGAS S.p.A.	CDP Reti S.p.A. (*)(**)	25.9
	Snam S.p.A.	11.4
	Lazard LLC	9.2
	BlackRock Inc.	3.3
	Banca d'Italia	1.3
	Other Institutional Investors	39.6
	Other shareholders	9.2

(*) On 1 August 2019, the Board of Directors of CDP S.p.A., including for the purposes of taking into account the guidance on control contained in Consob Communication no. 0106341 of 13 September 2017, reclassified its equity investment in Italgas as de facto control pursuant to article 2359, paragraph 1, no. 2) of the Italian Civil Code and article 93 of the Consolidated Law on Finance, with control exercised through CDP Reti, with an equity investment of 26.05%, and through Snam, with an equity investment of 13.50%. CDP does not exercise management and coordination activities with respect to Italgas, pursuant to articles 2497 et seq. of the Italian Civil Code.

(**) On 20 October 2016, a shareholders' agreement was signed between Snam, CDP Reti and CDP Gas, effective from the date of spin-off of Italgas S.p.A., which took place on 7 November 2016. With effect from 1 May 2017, CDP Gas was merged into CDP. Subsequently, on 19 May 2017, CDP completed the sale to CDP Reti, which included the equity investment held in Italgas S.p.A., representing 0.969% of Italgas S.p.A.'s share capital. CDP Reti is 59.1% owned by CDP, 35% by State Grid Europe Limited - SGEL, a company of the State Grid Corporation of China group, and 5.9% by a number of Italian institutional investors. The shareholders' agreement has a three-year term and is automatically renewed for successive three-year periods, unless one of the parties gives 12 months' notice of termination. Pursuant to this provision, the shareholders' agreement was renewed in November 2019 and November 2022. On 21 March 2023, Snam and CDP Reti signed an amendment to the Italgas Shareholders' Agreement.

1.2 REFERENCE SCENARIO

With reference to the key business and sectors in which **Snam** operates, the following should be noted:

Gas Infrastructures

Gas volumes injected into the network in 2025 totalled 64.08 billion cubic metres, an increase of 2.25 billion cubic metres (+3.6% compared with 2024), driven by a significant increase in exports and higher domestic demand. Gas demand in Italy in 2025 amounted to 63.42 billion cubic metres, up by 1.22 billion cubic metres (+2.0% compared with 2024), mainly due to increased consumption in the thermoelectric sector (+1.08 billion cubic metres; +4.2%), following a reduction in electricity imports and lower hydroelectric production as a result of decreased rainfall compared with 2024.

Demand from the residential and tertiary sector (-0.03 billion cubic metres; -0.1%) remained broadly in line with 2024, reflecting similar weather conditions. Consumption in the industrial sector was essentially unchanged compared with 2024 (+0.01 billion cubic metres; +0.1%), despite a slight decline in the industrial production index. Excluding the effect of

weather conditions, gas demand amounted to 64.28 billion cubic metres, an increase of 1.25 billion cubic metres (+2.0%) compared with 2024 (63.03 billion cubic metres).

Total storage capacity managed by the Snam group as at 31 December 2025, including strategic storage, amounted to 18.1 billion cubic metres (16.9 billion cubic metres in 2024; +7.4%), the highest in Europe. The increase of 1.2 billion cubic metres is primarily attributable to the acquisition of Stogit Adriatica (formerly Edison Stoccaggio) on 3 March 2025. Total capacity includes 4.6 billion cubic metres relating to strategic storage, as established by the Ministry of the Environment and Energy Security (MASE) (4.5 billion cubic metres in the 2024–2025 gas year), and 13.5 billion cubic metres of available capacity. As at 31 December 2025, available capacity for the 2025–2026 gas year is allocated at 95% (100% as at 31 December 2024).

Gas volumes handled by the Snam Storage System in FY 2025 amounted to 19.50 billion cubic meters, an increase compared to the 2024 financial year (+5.56 billion cubic meters; +39.9%). The increase is driven by higher withdrawals (+2.78 billion cubic metres; +39.0%), to meet increased demand from the thermoelectric sector, and by higher storage injections (+2.78 billion cubic metres; +40.8%). As at 31 December 2025, the storage filling level in Snam's facilities was approximately 74%. Throughout the year, storage facilities remained more than 10% above the EU average, supported by operational and infrastructural flexibility.

LNG volumes regasified during 2025 amounted to 7.73 billion cubic metres (+3.30 billion cubic metres compared with 2024; +74.5%). In addition, 106 LNG carrier unloadings (tanker loads) were carried out, compared with 62 unloadings in 2024. The increase in regasified volumes is attributable to the commissioning of the Ravenna FSRU terminal, operational since May 2025, which regasified a total of 1.72 billion cubic metres of LNG, with 17 LNG carrier unloadings, as well as to higher volumes regasified at the Panigaglia LNG terminal (+0.83 billion cubic metres), with 46 LNG carrier unloadings, and at the Piombino terminal (+0.75 billion cubic metres), with 43 LNG carrier unloadings.

Market Solutions

As at 31 December 2025, Bioenerys plants in operation totalled 35, unchanged compared with 2024, with installed capacity of 47 MW compared with 40 MW in 2024. The increase in installed capacity is attributable to the conversion of the first plants from electricity-generating biogas to biomethane from agricultural waste and biomass.

The energy efficiency business has a total installed capacity of 109 MW, mostly from cogeneration and photovoltaic systems for industrial clients. As at 31 December 2025, the backlog amounted to 1,418 million euro, broadly in line with 2024, mainly driven by the industrial and Public Administration segments. The number of refuelling stations delivered was 100, an increase of 4 units compared with 2024.

With reference to **Terna** and electricity demand in Italy, in 2025 the demand for electricity in Italy amounted to 311,324 GWh (provisional figure), broadly in line with 2024 (-0.2%), which had closed with an increase (+2.1%) compared with 2023.

In 2025, renewable sources accounted for approximately 41.1% of total energy demand.

Electricity generation from renewable sources decreased by 2.3% compared with the previous year (42%), primarily due to the decline in hydroelectric production (-21.2%), which returned to historical average levels following the exceptional hydrological conditions of 2024, and the decrease in wind generation (-3.3%). This reduction was only partly offset by the increase in photovoltaic generation (+25.1%), which reached a new record, surpassing 44 TWh, also driven by newly installed capacity (+6.4 GW) and greater solar irradiation. Bioenergy production remained stable. In this context, characterised by stable electricity demand and a strong penetration of renewable energy sources, high-voltage transmission networks represent a key enabler for the growth of renewable generation.

In 2025, there was a reduction in the number of hours in which the share of demand met by renewable energy sources exceeded the thresholds of 30%, 40% and 50% compared with the figures recorded in 2024.

At 31 December 2025, **Italgas**, including its investee companies, was the holder of gas distribution concessions in 4,338 Municipalities (2,099 at 31 December 2024), of which 4,245 in operation (2,024 at 31 December 2024):

- Gas distributed: at 31 December 2025, Italgas, including the investee companies over which it does not exercise effective control, had distributed 11,409 million cubic metres of gas (8,188 million cubic metres of gas at 31 December 2024);
- Distribution network: the gas distribution network at 31 December 2025, including the investee companies over which it does not exercise effective control, extended for 156,655 kilometres (83,811 kilometres at 31 December 2024);
- Meters: at 31 December 2025, the meters in service at the re-delivery points, including the investee companies over which it does not exercise effective control, amounted to 12.867⁴ million (8.020 million at 31 December 2024).

⁴ The 2025 figure includes the active meters acquired through the acquisition of the 2i Rete Gas S.p.A. Group (+ 4,850 million).

2. SIGNIFICANT EVENTS DURING THE YEAR BY SECTOR/COMPANY

CDP RETI

Capital increase of CDP RETI to raise the financial resources necessary, among other things, to subscribe to its pro-rata share in the Italgas rights issue

Introduction

On 22 May 2025, CDP RETI's shareholders meeting in an extraordinary session, resolved, among other matters, to approve a divisible and paid-in share capital increase of CDP RETI S.p.A. for a maximum total amount of 265,999,651.20 euro, including share premium, to be offered as an option to existing shareholders.

CDP RETI's proposed capital increase forms part of the broader transaction involving the acquisition of 2i Rete Gas S.p.A. (the "Transaction") by Italgas S.p.A., which is partially funded through a capital increase of approximately 1.02 billion euro approved by the Italgas Shareholders' Meeting on 10 April 2025⁵.

In accordance with the rationale behind CDP RETI's support for the Transaction, grounded in the "strategic relevance of the infrastructure and energy sectors" and its "potential industrial significance", as well as in line with CDP RETI's investment mission, the Board of Directors of CDP RETI, on 17 April 2025, approved an investment in Italgas by fully subscribing to its 25.96% pro-rata share of the Italgas capital increase. The investment is to be financed through the aforementioned CDP RETI's own capital increase approved by CDP RETI's Shareholders' Meeting on 22 May 2025.

The capital increase of CDP RETI is described in detail below:

- **amount:** up to a maximum of 265,999,651.20 euro (including share premium), of which up to 4,456.80 euro will be allocated to share capital and up to 265,995,194.40 euro to share premium;
- **newly issued shares and subscription price:** following a 1:40 stock split of the existing shares, issuance of a maximum of 178,272⁶ new shares with no nominal value – comprising a maximum of 105,362 class A shares, a maximum of 62,395 class B shares, and a maximum of 10,515 class C shares – offered for subscription at the same issue price of 1,492.10 euro each, having full dividend rights but excluding those based on the profits recorded in the 2024 financial year⁷, and with the same characteristics as the shares of the relative classes in circulation at the issue date;
- capital increase with pre-emptive rights:
 - a capital increase offered with pre-emptive rights to all shareholders of CDP RETI pursuant to Article 2441, paragraph 1, of the Italian Civil Code, with the following features:
 - (i) newly issued Class A shares, Class B shares and Class C shares, offered with pre-emptive rights, respectively, to holders of Class A shares, Class B shares and Class C shares, in proportion to the number of shares held by them as at the date of the Shareholders' Meeting of 22 May 2025;
 - (ii) the attribution to each existing share (post share split) of one pre-emptive right entitling the holder to subscribe for 0.0275939 newly issued shares of the relevant class; and
 - (iii) where the exercise of pre-emptive rights by a shareholder results in an entitlement to a non-integer number of newly issued shares, the right for such shareholder to subscribe for newly issued shares up to the nearest whole number;
- in the event that class B shares remain unopted, these shall be offered on a pre-emptive basis exclusively in favour of the shareholders holding class A shares who have so requested when exercising their option rights;
- in the event that class C shares remain unopted:
 - (i) firstly, these shall be offered on a pre-emptive basis in favour of the shareholders holding class C shares who

⁵ In this context, the Shareholders' Meeting of Italgas S.p.A. granted a specific mandate to the Board of Directors to determine, among other things, the subscription period for the rights offering and the issue price of the new shares.

⁶ The stock split was carried out at a ratio of 1:40, maintaining the existing share classes and their characteristics, resulting in an increase in the total number of shares representing the share capital (which remains unchanged at 161,514.00 euro) from 161,514 to 6,460,560 shares (all without nominal value). Following the stock split, which required an amendment to Article 6.1 of the articles of association, the number of shares outstanding for CDP RETI is as follows: 3,818,320 Class A shares, 2,261,200 Class B shares, and 381,040 Class C shares.

⁷ The profits recorded during the 2024 financial year were distributed to CDP RETI's shareholders in proportion to the number of shares held prior to the capital increase.

- have so requested when exercising their option rights;
- (ii) alternatively, if after the procedure under item (i) above any unopted class C shares remain because they exceed the number of class C shares requested under pre-emption, these shall be offered on a pre-emptive basis in favour of the shareholders holding class A shares who have so requested when exercising their option rights.

The rights offering period for the CDP RETI capital increase started on 23 May 2025 and ended on 5 June 2025⁸. Taking into account the subscription by Cassa Depositi e Prestiti S.p.A. (holder of Class A shares) and State Grid Europe Limited (holder of Class B shares) of their respective portions of the capital increase, as well as the partial subscription of the relevant portion by the Class C shareholders, on 6 June 2025 the Company accordingly sent a notice to shareholders containing: (i) the outcome of the subscriptions collected during the pre-emptive rights offering period; (ii) the number of unsubscribed Class C shares and their allocation to the entitled Class C shareholders (in accordance with the criteria described); and (iii) the details for payment of the subscription price of the aforesaid Class C shares allocated on a preferential basis.

On 13 June 2025, after all remaining unopted shares were pre-emptively purchased by eligible class C shareholders, CDP RETI declared the full subscription and payment of all shares resulting from its capital increase, thus formally concluding the capital increase process.

Finally, on 19 June 2025, as part of Italgas's capital increase, CDP RETI subscribed to 52,684,606 new Italgas shares, representing 25.96% of the total new shares, for an aggregate amount of 264,792,829.76 euro (representing its full pro-rata share of the capital increase). As a result of this subscription, CDP RETI holds 263,423,030 Italgas shares, representing 25.96% of the share capital.

Other significant events occurred in the period

With regard to **dividends received** from subsidiaries, amounting in aggregate to **629.4 million euro (577.8 million euro in 2024)**, during the period the Company collected 306.1 million euro from Snam (2024 interim dividend of 122 million euro⁹ and final dividend for 2024 of 184 million euro), 237.7 million euro from Terna (final dividend for 2024 of 166 million euro and interim dividend for 2025 of 72 million euro¹⁰), and 85.6 million euro from Italgas (2024 dividend).

The increase (+51.6 million euro) compared with 2024 is attributable to higher cash inflows resulting from the dividend policies (in terms of dividend per share) of Snam (+9.0 million euro), Terna (+31.2 million euro) and Italgas (+11.4 million euro).

In addition, it should be noted that the Board of Directors of Snam, which met on 5 November 2025, resolved to distribute an interim dividend for 2025, of which 127 million euro was allocated to CDP RETI (collected in January 2026).

For more details, please refer to the "Report on operations of CDP RETI S.p.A."

With regard to **dividends paid** to shareholders, amounting in aggregate to approximately **571.3 million euro** gross of withholding tax (**531.4 million euro** in 2024), during the year the Company distributed:

- the final dividend for the 2024 financial year (i.e. approximately 177.5 million euro¹¹ gross of withholding tax), of which approximately 105 million euro was paid to CDP and 62 million euro to State Grid Europe Limited, representing an increase compared with the final dividend distributed in the first half of 2024 (i.e. 169.5 million euro). In this respect, it should also be noted that a portion of the 2024 profit (362 million euro) was distributed in November 2024 by way of an interim dividend¹²;
- an interim dividend for the 2025 financial year¹³, amounting to 394 million euro gross of withholding tax, was also approved, of which approximately 233 million euro was allocated to CDP and 138 million euro to State Grid Europe Limited.

More broadly, it is noted that at the Shareholders' Meeting held on 17 April 2025, Dr Xue Xia was confirmed as a member of the Board of Directors, with her mandate expiring in line with the other current Directors.

The following should be noted with regard to relations with investees:

- on 12 February 2025, in implementation of the incentive plan known as the "2021–2023 Co-investment Plan"—approved by the Ordinary and Extraordinary Shareholders' Meeting held on 20 April 2021—and following the decision

⁸ During this period, a total of 6,458,120 option rights were exercised to subscribe to 178,205 New Shares, corresponding to 99.96% of the total New Shares, with a total value of 265,899,680.50 euro (including share premium). At the end of the Offer Period, therefore, a total of 2,440 option rights remained unexercised, corresponding to the subscription of 67 New Class C Shares, representing 0.04% of the total New Shares, for a total amount of 99,970.70 euro.

⁹ Interim dividend (equal to 0.1162 euro per share, with payment starting from 22 January 2025, with coupon due on 20 January and record date on 21 January) approved by the Board of Directors of Snam S.p.A. on 6 November 2024 and recorded in the financial statements of CDP RETI S.p.A. at 31 December 2024.

¹⁰ Interim dividend (amounting to 0.1192 euro per share, with payment starting on 26 November 2025, with coupon due on 24 November, and record date on 25 November) was approved by the Board of Directors of Terna S.p.A. on 13 November 2025.

¹¹ 1,099.08 euro distributed for each of the 161,514 shares.

¹² The interim dividend, amounting to 2,240.46 euro per share (for each of the 161,514 shares), was approved by the Board of Directors at its meeting of 21 November 2024, on the basis of the Company's interim financial statements as at 30 June 2024, prepared in accordance with IFRS, which reported a net income of approximately 362 million euro and available reserves of approximately 3,369 million euro.

¹³ This interim dividend, equal to 59.32 euro per share (for each of the 6,638,832 shares), was approved by the Board of Directors at its meeting of 25 November 2025, on the basis of the Company's interim financial statements as at 30 June 2025, prepared in accordance with IFRS, which reported a net income of approximately 394 million euro and available reserves of approximately 2,054 million euro.

of the Italgas Board of Directors to grant, free of charge, a total of 511,604 new ordinary shares of the Company to the beneficiaries of the Plan (the so-called second cycle of the Plan) and to commence the execution of the second tranche of the capital increase approved by the aforementioned Shareholders' Meeting, CDP RETI's interest in Italgas decreased from 25.98% to 25.96%.

- on 14 April 2025, CDP RETI and Snam signed a second agreement amending the shareholders' agreement¹⁴, which had been previously amended on 21 March 2023¹⁵, concerning the shares held by them in Italgas. In particular, the purpose of this second amendment was mainly to (i) allow Snam to acquire further Italgas shares during the Italgas capital increase, and (ii) incorporate, as an exception to the ban on partial transfers to third parties by Snam, the sale of part of Snam's option rights (deriving from the Italgas capital increase), with the intent, as publicly stated by Snam, to utilise the proceeds to subscribe to new Italgas shares (the so-called tail swallow strategy) without any additional cash payment;
- on 18 April 2025, in accordance with applicable legal and by-law provisions requiring submission at least 25 days before the relevant meetings, CDP RETI filed the lists of candidates for the positions of Director and Auditor of Italgas S.p.A. and Snam S.p.A. at their respective registered offices, in view of the renewal of the corporate bodies whose terms expire at the meetings convened to approve the financial statements as at 31 December 2024;
- Furthermore, on 6 November 2025, Italgas announced to the market the conclusion of the first phase of the Shareholder Diversification Plan promoted by the Company for the three-year period 2025–2027. As a result of the participation of almost two out of three employees (of the eligible Italgas Group employees), CDP RETI's stake in Italgas fell from 25.96% to 25.94%.

SNAM (GAS INFRASTRUCTURE AND MARKET SOLUTIONS SEGMENT¹⁶)

The following are the main significant events that occurred during 2025 relating to Snam group:

Gas infrastructure for energy security

- On 3 March 2025, Snam, through its subsidiary Stogit, completed the acquisition from Edison of 100% of the share capital of Edison Stoccaggio, for a consideration of approximately 565 million euro, which accounts for the agreed-upon adjustments in the sales contract and the ticking fee. Following the acquisition of Edison Stoccaggio, renamed Stogit Adriatica, Snam's total storage capacity increased to approximately 18 billion cubic metres, of which 4.6 billion cubic metres relate to strategic reserves, representing more than 17% of European capacity and consolidating the group's leadership position in the sector at continental level.
- On 28 April 2025, the BW Singapore regasification vessel, moored 8.5 kilometres off the coast of Ravenna, successfully concluded the plant's commissioning phase on schedule, enabling the start of commercial operations in May. With operations now underway, the country's total regasification capacity rises to 28 billion cubic metres per year, matching the volumes imported from Russia prior to the Russia-Ukraine war and covering 45% of domestic gas demand. This offers a more diversified and secure supply route.
- On 7 April 2025, Snam and Infinity Investments, an investment vehicle wholly owned by the Abu Dhabi Investment Authority, entered into a Share Purchase Agreement (SPA) for the acquisition by Snam of the 24.99% stake held by Infinity Investments in the share capital of Vier Gas Holding S.à r.l. (VGH), a Luxembourg-based company which indirectly owns the entire share capital of Open Grid Europe (OGE) – for an equity value of 920 million euro. At the conclusion of a lengthy process related to Snam obtaining authorisation under German foreign investment regulations, on 17 November 2025 the parties agreed to terminate the agreement and not to proceed with the transaction.
- On 3 June 2025, Snam renewed the Memorandum of Understanding (MoU) originally signed in April 2023 with SPP, one of Slovakia's leading energy companies, with the aim of exploring potential cooperation between the two parties on natural gas supply security.
- On 10 July 2025, Snam and the Gas Transmission System Operator of Ukraine (GTSOU), the operator of Ukraine's natural gas transport system and its connections to European Union countries, signed a Memorandum of cooperation aimed at strengthening the synergy between the Ukrainian and Italian gas markets, with the goal of enhancing energy security, regional integration, and long-term sustainability.
- On 12 September 2025, a Decree of the Presidency of the Council of Ministers was signed, identifying the priority works and infrastructure required for the phase-out of coal in Sardinia, in line with the objectives of the National Integrated Energy and Climate Plan (PNIEC). The decree provides for a series of strategic measures, including the

¹⁴ The shareholders' agreement concerning Italgas shares has a term of three years, with the possibility of automatic renewal for three years, subject to the right of each party to terminate the shareholders' agreement with 12 months' notice. The expiry date of the shareholders' agreement is on 7 November 2026.

¹⁵ According to the first amending agreement, changes were made to certain forecasts concerning the circulation of Italgas shares owned by Snam. In essence, these changes are related to the possibility for Snam to transfer even only a portion of its equity investment in Italgas, provided that such partial transfer takes place at the time of redemption of one or more convertible bonds (exchangeable bonds, convertible into Italgas shares).

¹⁶ In the month of November 2025, Snam's new organizational model was designed with the aim of consolidating its role as the operator of the national gas transmission infrastructure and aligning the organizational structure with the group's strategic objectives. The new model comprises two business segments: (i) the Gas Infrastructure, which includes the regulated core businesses of Transmission, regasification, and storage of natural gas, as well as activities in the fields of hydrogen (H2) and Carbon Capture and Storage (CCS); and (ii) Market Solutions, which encompasses the biomethane, energy efficiency, and sustainable mobility businesses, offering the market synergistic solutions to support energy integration and decarbonization.

introduction of a connection that will ensure the security of natural gas supply through the use of a Floating Storage and Regasification Unit (FSRU) as well as local networks, while increasing storage capacity by approximately ten times compared with current levels.

- On 2 October 2025, Snam signed an agreement with the shareholders of Higas, the company owning the Oristano coastal LNG storage facility, to initiate an exclusive due diligence and negotiation period regarding the potential acquisition of 100% of the company's share capital, as well as the expansion and conversion of the existing coastal depot into a floating regasification terminal (Floating Storage and Regasification Unit – FSRU). Once completed, the transaction may enable the injection of regasified natural gas from the future Oristano FSRU into the transport network to be developed in Sardinia, serving the island's central-southern industrial and thermoelectric segment, as well as users in the provinces of Cagliari, Oristano, Medio Campidano and Sulcis Iglesiente.

Snam supporting energy integration

- Snam unveiled its first Innovation Plan on 6 May 2025, a roadmap outlining in detail the group's strategic direction and projects in transformative innovation over the next decade. Together with the Transition Plan and the 2025–2029 Strategic Plan, presented in October 2024 and January 2025 respectively, the Innovation Plan completes the framework guiding the group's medium- and long-term investment strategy.
- Snam has signed a Memorandum of Understanding with ACWA Power, a publicly listed Saudi company recognised as the world's largest private desalination operator, to explore potential collaboration for the development of an international green hydrogen supply chain from Saudi Arabia to Europe. The companies will also assess the development of an ammonia import terminal to facilitate the delivery of green hydrogen from Saudi Arabia to Italy, Austria, and Germany.
- Snam's Italian H2 Backbone project has become part of the EU co-financed initiatives under the Connecting Europe Facility (CEF) programme, receiving a contribution of 24 million euro. This initiative forms part of the wider South2 Corridor, a hydrogen pipeline approximately 3,300 km long that will connect North Africa to southern Germany, currently being developed by the European TSOs: Snam (Italy), TAG and GCA (Austria), and Bayernets (Germany). This co-financing will support feasibility studies and fieldwork, crucial to guaranteeing the development of the Italian H2 Backbone, thereby establishing a strong basis for the subsequent authorisation phases. Around 48 million euro will be invested in these activities, with 24 million euro provided by the CEF Energy programme and the other 24 million euro invested directly by Snam.

Portfolio management

- On 18 March 2025, the transaction for the sale of the 12.33% minority stake in Galaxy Pipeline Assets Holdco Ltd. to the Lunate fund was completed, a company through which Snam held an equity investment in ADNOC Gas Pipeline Assets LLC. The consideration for the transaction amounts to 247 million dollars. The sale is in line with Snam's strategic vision to focus on developing infrastructure situated along the key energy corridors in Europe.
- On 29 July, Snam completed the disposal of its entire shareholding in ITM Power, amounting to approximately 12.8 million shares (corresponding to 2.07% of the share capital), through a market sale carried out via a financial intermediary appointed by Snam, for a total consideration of 10 million pound, equivalent to approximately 11 million euro.

Finance and Sustainability

- Snam was honoured with the prestigious “Sustainable Issuer of the Year” award by IFR (International Financing Review), one of the leading global publications specialising in capital markets.
- To support the target of reaching 90% sustainable finance by 2029, the Framework is divided into two main pillars: Green Financing, focused on investments in projects aligned with the European Taxonomy, and Sustainability-Linked Financing, which ties the cost of capital to the achievement of specific strategic targets. Through these two pillars, the Framework reflects different approaches to sustainable finance, in line with best market practices.
- Snam successfully placed its first bond issuance in US dollars targeted at institutional investors, in a multi-tranche Sustainability-Linked format (144A/Reg S), for a total amount of 2 billion US dollar, equivalent to approximately 1.8 billion euro.

The transaction, which is the world's first Sustainability-Linked bond issuance with a Net Zero target on Scope 1, 2 and 3 GHG emissions, is structured in three tranches with maturities of 5, 10 and 30 years:

- USD 750 million, 5-year fixed rate bonds with a coupon of 5.000%, maturing on 28 May 2030;
- USD 750 million, 10-year fixed rate bonds with a coupon of 5.750%, maturing on 28 May 2035;
- USD 500 million, 30-year fixed rate bonds with a coupon of 6.500%, maturing on 28 May 2055.

At the same time, Snam entered into Cross Currency Swap (CCS) derivative contracts covering the full amount of the bond issuance, fully hedging the euro/dollar exchange rate risk.

The transaction is consistent with the Company's Sustainable Finance Framework, published last April, and links the cost of debt to the achievement of ambitious GHG emission reduction targets¹⁷:

¹⁷ Reference baseline for 2022.

- Scope 1 and 2 emissions: 25% reduction by 2027, 50% reduction by 2035, and 90% reduction by 2050;
 - Scope 3 emissions: 35% reduction by 2032 and 90% reduction by 2050.
- A Net Zero target has therefore been set across all Scopes by 2050, with up to 10% allowed to be offset.
- At the beginning of the year, S&P Global Ratings upgraded Snam's rating from "BBB+" to "A-", confirming the short-term rating at "A-2". The upgrade follows the recent improvement in Italy's sovereign rating and highlights Snam's solid creditworthiness, its leading role in European energy infrastructure, and its proven track record of operational performance. When setting Snam's new rating, S&P recognised its solid operational performance in 2024, consistent commitment to financial discipline, and strategic investments.
 - In December 2025, Moody's Ratings (Moody's) confirmed the Company's long-term rating at Baa2, revising the outlook from positive to stable. The decision reflects the expectation of stronger financial metrics than previously anticipated by Moody's, combined with a revision of the minimum thresholds for a Baa1 rating following the recent termination of the agreement for the acquisition of a 24.99% stake in Viergas Gas Holding and the moderate improvement in the business profile.
 - Snam released the European Green Bond Factsheet, which clearly and thoroughly explains how the proceeds from green bond issuances are utilised in line with the EU Green Bond Standard (EU GBS).
An independent verification by ISS reviewed the Factsheet and positively confirmed its alignment with the EU Green Bond Regulation (EuGB) 2023/2631/EU.
 - Snam successfully issued its first Green Bond compliant with the European Green Bond Standard, amounting to 1 billion euro, maturing on 1 July 2032, with an annual coupon of 3.250% and a re-offer price of 99.244% (corresponding to a 100 basis points spread over the reference mid swap).
In accordance with EU Regulation 2023/2631, the funds raised from the issuance will be used to finance new projects detailed in the European Green Bond Factsheet.
With this issue, maturing on 1 July 2025, which adds to the 500 million euro Green Bond issued in February 2024 in line with ICMA principles, the total value of Green Bonds issued by Snam currently in circulation, intended to finance projects compliant with the European Taxonomy, rises to 1.5 billion euro.
With the issuance of the Green Bond and the US dollar Sustainability-Linked issuance, the share of sustainable financing in Snam's total committed funding increased to 85% at year-end, approaching the 90% target set for 2029.
 - On 28 July 2025, the European Investment Bank (EIB) approved new financing for a maximum amount of 264 million euro in favour of Snam, with the aim of promoting the integration of biomethane production plants into Italian energy infrastructure and encouraging the transition to a more sustainable and diversified energy system.
On the same date, the first tranche of the loan, amounting to 140 million euro, was signed. The project involves the construction of 240 km of new gas pipelines to transport 12,000 GWh/year of renewable energy, in line with the objectives of the PNRR and the REPowerEU plan.
 - On 2 October 2025, Snam's Board of Directors approved the annual renewal of the Euro Medium Term Notes (EMTN) Programme, launched in 2012, authorising the issuance, by 2 October 2026, of one or more bond issuances for a maximum amount of approximately 3.3 billion euro, increased by an amount corresponding to any bonds repaid during the same period. These bonds will be placed with institutional investors. In any event, the total nominal value of bonds issued and outstanding may not exceed the maximum limit of 15 billion euro provided for under the Programme.
 - In October 2025, Snam was awarded, for the fifth consecutive year, the Gold Standard recognition by the United Nations Environment Programme (UNEP) for methane emission reduction, confirming the group's concrete and ongoing commitment in this area.
The recognition, granted under the Oil & Gas Methane Partnership 2.0 (OGMP 2.0) initiative promoted by UNEP, rewards companies that adopt the highest standards of transparency and accuracy in methane emissions reporting and in the effectiveness of mitigation actions.

Other events

- At the Shareholders' Meeting held on 14 May 2025, Snam approved its inaugural dispersed ownership structure plan for the 2025–2027 period. The plan, called "Noi Snam", allow employees to invest in the company on favourable terms, becoming shareholders and thereby sharing in the value created by the company over the long term. The plan is addressed to the entire workforce, on a voluntary basis, with a particular focus on blue-collar workers, employees and middle management. The first subscription window, which provided for employee participation through the purchase of shares using their own resources, recorded a highly significant result, with an adhesion rate of 55% of the total workforce.
The outcome of the initiative represents a tangible sign of the alignment with corporate objectives and of Snam employees' participation in the group's long-term value creation journey.
- The accelerated bookbuilding process launched by Snam for the sale of part of its option rights in Italgas's capital increase was concluded on 4 June 2025, with 83,349,489 option rights reserved for Snam placed with institutional investors at a price of 0.396 euro per option right, amounting to around 32.5 million euro in total. Following the placement, the remaining option rights held by Snam, amounting to 25,883,804 rights, were used to subscribe to 6,470,951 newly issued Italgas shares, financed by the proceeds from the partial sale of option rights.
Following this subscription, Snam's shareholding in Italgas decreased from 13.46% to 11.40%.
- With third place in the ranking, Snam confirms, for the twelfth consecutive year, its position among the leading companies in the Webranking Europe 500 survey, the main European study – conducted by Lundquist in collaboration

with Comprend – which assesses the transparency of corporate and financial communication across the digital channels of the largest listed companies.

This year, the Europe 500 sample included 31 Italian companies, which recorded an average score of 52.30 out of 100. In this edition, Snam achieved a score of 94.6 points, up by 0.8 points compared with 2024, in a context where the European average declined compared with the previous year (from 48.4 to 47.06 points out of 100), confirming its position as the leading company in the Energy sector.

- Snam was also once again included in CDP's "A List" (formerly Carbon Disclosure Project), the index that recognises globally leading companies for transparency and management of environmental risks and opportunities, improving its rating compared with 2024 (B) and confirming its inclusion among the world's "best companies" for the quality and completeness of disclosed information. The "A" score attests to the high level of transparency and the results achieved in managing and reporting its environmental impacts. CDP's annual assessment process is widely recognised by the market as the United Nations' Gold Standard for environmental matters.

This result is complemented by the confirmation, for the second consecutive year, of the Special Award "Sustainability Reporting: towards the CSRD" as part of the Oscar di Bilancio 2025, promoted by FERPI, Borsa Italiana and Bocconi University. The award recognises the clarity, completeness and integration of the information disclosed, in line with the requirements of the new European reporting framework, highlighting the maturity and analytical depth of Snam's reporting, its full alignment with ESRS standards and its robust ESG governance, integrated into the corporate strategy.

- In December, Snam and the trade unions FILCTEM CGIL, FEMCA CISL and UILTEC UIL signed a Protocol for a new Industrial Relations model, renewing and strengthening the group's participatory framework and adapting it to ongoing economic, production and technological transformations. The most significant innovations of the three-year protocol include: (i) **a stronger and more structured participation system** through the establishment of the Joint Participation Body (OPP); (ii) **continuous training** to enhance professional skills in line with business objectives; (iii) **employee wellbeing** through strengthened welfare policies; (iv) **inclusion** through support for local communities via the Snam Foundation; and (v) **safety**, with a constant focus on health, safety and the environment.

TERNA (ELECTRICITY DISPATCHING AND TRANSMISSION SECTOR)

Management and development of the NTG:

- Tyrrhenian Link:
 - East Branch - Cable Links: installation of the submarine cable for pole 1 has been completed. Installation activities for the submarine cable for pole 2 are currently in progress, together with civil works for the construction of the land cable for poles 1 and 2. Progress stands at 83% of trenching and 73% of cable laying in Sicily, and 91% of trenching and 60% of cable laying in Campania.
Converter Stations: the assembly of the control building in Eboli has been completed, together with the transformer foundations in Termini Imerese and the manufacturing of valves and transformers for both sites. Production of the electromechanical equipment and the remaining prefabricated buildings is currently underway, together with on-site construction activities relating to buildings and transformer foundations at both Eboli and Termini Imerese.
 - West Branch - Cable connections: installation of the submarine cable for pole 1 has been completed in early January 2026. Civil works for the construction of the land cable for poles 1 and 2 are currently in progress, with 46% of trenching completed in Sicily, and 22% of trenching and 14% of cable laying completed in Sardinia.
Converter Stations: production of electromechanical equipment and the main prefabricated buildings is underway, together with civil works at both station sites. Site preparation activities have been completed and the removal of the final 150 kV line interfering with the Termini Imerese site is currently underway.
- Adriatic Link:
 - Cable Connections: approximately 8.8 km of land cable out of a total of 34.0 km have been installed in the Marche region, and 0.6 km out of 46.0 km in Abruzzo. Production of the submarine cable is ongoing, with 19% progress, together with qualification testing on both the submarine and land cables.
 - Converter Stations: the site fencing and construction access roads in Fano have been completed and the Cepagatti construction site was opened in December. Production of some of the main equipment (including converters and the control system) is currently in progress.
- Sa.Co.I.3:
 - Cable Links: construction activities are underway for the land-sea cable landings for the power cables at Salivoli, Bonifacio and Santa Teresa Gallura, as well as for the electrode at San Vincenzo (LI). Works have commenced for the construction of the land cable duct in Tuscany.
 - Converter Stations: construction sites have been opened at Suvereto and Codrongianos, and excavation works are in progress for the foundations of the valve hall and the service building.
 - Overhead Line in Corsica: the first phase of works scheduled during the SA.CO.I.2 planned outage window in 2025 has been completed, including the replacement of 12 towers along the Lucciana-Bonifacio line. Works are currently underway to strengthen foundations and improve access roads.
- Olympic Projects:
 - Connection Livigno: the facility entered into operation in November.

- CP Laion-CP Corvara and the Corvara reactor: the facilities entered into operation in September.
- CP Brunico-SE (Electric Station) Vandoies: excavation and cable installation activities are in progress, reaching approximately 77% and 71% respectively of the total 21.5 km. Jointing works have also started, with approximately 48% of the total 31 joints/terminations completed. The Vandoies substation entered into operation in December via temporary overhead connections.
- SE Moena-CP Campitello: the cable connection entered into operation in October under a temporary configuration at the Moena substation, where installation of a compact bay (Gas Insulated Switchgear – GIS) is planned for 2026.
- Chiaramonte Gulfi – Ciminna: the main supply orders have been issued. Construction sites were opened in May and works commenced in July, with approximately 21% of the foundations completed and 2% of tower erection completed out of a total of 397 towers.
- Paternò-Pantano-Priolo:
 - Pantano–Priolo 380 kV transmission line: entered into operation in October.
 - Pantano 380/220/150 kV substation: finishing works are underway, while the installation and energisation of the second transformer, out of a total of three planned, have been completed.
- Colunga–Calenzano transmission line:
 - Colunga–Calenzano 380 kV transmission line: approximately 86% of the foundations have been completed, while installation of approximately 65% of the towers and stringing of approximately 46% of the conductors are in progress. A first section of the Colunga–San Benedetto Querceto line entered into operation in April and September, for a total of 16.7 km.
- Bolano-Annunziata:
 - Bolano–Annunziata 380 kV cable variant: approximately 91% of excavation works for the 3.3 km connection have been completed. Installation of the cables, joints and related joint shielding is currently in progress.
 - SE Annunziata: the structural works for the compact bay building (GIS) have been completed. Activities for the construction of the access roads and other common station works are currently underway.
 - SE Bolano: the procedure for obtaining the authorisation has been completed, the civil works design has been finalised and the procurement process for the works contract is currently underway.
 - Bolano–Annunziata 380 kV duplication: production of the submarine cable has been completed and the first tests have started. Construction activities for the civil works at the Sicilian landing point have commenced, and the areas required for the landing works in Calabria have been handed over.
- Cassano–Chiari 380 kV transmission line:
 - approximately 87% of the foundations have been completed and 74% of the towers installed out of a total of 70 towers; approximately 61% of conductor stringing has been completed along the total 35.3 km connection.
- Synchronous compensators:
 - the Aurelia compensator became operational in April.
 - Other sites (Caracoli, Forlì, Troia): following the award of contracts, procurement activities have started. At the Troia site, construction sites have been opened and activities have commenced for the construction of the 380 kV bay. At the Caracoli site, the construction site has been opened.
- Reactors:
 - Nogarole and Chiari became operational in April.
 - Sandrigo and Cirè: entered into operation in October and November, respectively.
 - Fiber for the Grid:
 - The project, aimed at expanding the collection of field data to support the safe operation of the electricity system, involves the strengthening and extension of the fibre-optic network.

In 2025, 17 stations were reached via proprietary optical fibre, for a total of 588 stations connected remotely.
- Stabilising resistors:
 - Rizziconi: entered into operation in December.
 - Scandale: electromechanical installation works have been completed and commissioning tests have commenced.
 - Feroletto: civil works are currently in progress.
 - Other sites (Melilli, Brindisi): the areas were handed over to the contractor in October and December respectively, and site mobilisation activities are underway.
 - It's confirmed the commitment to carrying out renewal works on electrical assets aimed at improving the reliability and resilience of the National Transmission Grid (RTN). Following the completion of the renewal works on overhead lines and substation equipment, as at 31 December 2025, approximately 1,298 km of overhead lines and 18 pieces of equipment (7 autotransformers, 2 transformers, 9 reactors) had been replaced.

Non-Regulated and International Activities:

- Connectivity: Terna group offers its customers access to a modern fibre optic network, integrated into the guard wires of the National Electricity Grid's power lines. Compared to standard land cables, this solution ensures higher performance, with greater reliability (thanks to a much lower annual fault rate per kilometre) and improved signal quality resulting from reduced attenuation. In addition, the guard cables' alignment with the direct routes of the National Electricity Grid results in substantial route-length savings, exceeding 20% when compared with long-range land-based connections.

As of today, approximately 49,000 km of fibre optic pairs have been allocated through IRU (Indefeasible Right of Use) agreements, with Terna group responsible for their upkeep and for hosting equipment used in signal regeneration.

Work continues on the agreement with E-Distribuzione for the assignment of IRU rights over fibre optic pairs (with a minimum duration of 20 years and a maximum of 24 years), as well as the provision of maintenance services. Under the agreement signed in 2023, approximately 41,100 km of optical fibre pairs will be made available to the client, intended to connect 1,867 Primary Distribution Plants via 153 rings, with delivery scheduled between 2023 and 2028. To date, more than 13,000 km of fibre-optic network have been delivered and over 900 facilities connected, including approximately 5,700 km and around 300 facilities during 2025;

- Energy Services: the Alenia group from 1 April 2025 also took over the management of the Energy Services business previously carried out by Terna Energy Solutions S.r.l., as described above, continues to operate in the operation and maintenance (O&M) of photovoltaic plants, as well as in the design and implementation of revamping and repowering interventions on existing plants and the construction of new photovoltaic plants on behalf of third parties. Revenue for 2025 is expected to increase compared with 2024, mainly due to the greater progress made on photovoltaic EPC contracts and the inclusion of STE Energy S.r.l. within the Alenia group. In terms of commercial activities, new EPC projects ranging from 200 MWp to 250 MWp are worth noting, mainly in southern Italy. During the third quarter of 2025, the EON phase (Energization Operational Notification) of an electrical substation in Sardinia intended to connect a utility-scale photovoltaic plant was completed.

For the utility-scale photovoltaic plant in Sicily connected to the National Transmission Grid, activation of the final grid connection system has been completed. With regard to the plant located in Lazio, testing was carried out in February 2025, followed by its commissioning.

The design phase for the new HV/MV grid connection facility to the National Transmission Grid for a data centre in the eastern area of the Province of Milan has been completed. Execution activities are currently underway.

Activities are continuing in relation to the construction of a connection infrastructure to the National Transmission Grid (electrical substation and High Voltage cable) for a major client operating in the data centre sector in the Province of Milan.

The revamping of an High Voltage plant for an industrial client in Sicily is currently nearing completion. Works have commenced for the refurbishment of a plant (MV section and SPCC¹⁸) for an industrial client in Tuscany, while the revamping of a plant in San Marino is currently being planned.

The first of the two revamping interventions of 220 kV and 132 kV metering units in Valle d'Aosta, scheduled for the 2025–2026 period, has been completed. The first phase of the High Voltage revamping intervention on a 132 kV transformer bay in Lombardy for a client operating in the industrial manufacturing sector has also been completed.

Installation of RTUs (Remote Terminal Units, devices used for the collection and transmission of plant data) has been completed. The main contracts concerned clients operating in the oil and gas sector, the shipbuilding industry and the manufacturing sector¹⁹.

- Other activities: Work under the framework agreement with Rete Ferroviaria Italiana (RFI) for the “Design, supply, installation, certification and commissioning of Metering Equipment” is also continuing. During 2025, 51 installations and 18 equipment supplies were completed, bringing the total number of completed installations to 170 plants, compared with 182 plants planned under the existing framework contracts.
- Private interconnectors pursuant to Law 99/2009: In order to develop a single electricity market through the strengthening of cross-border interconnection capacity, European legislation has defined guidelines allowing the development of international interconnection infrastructure also by entities other than transmission system operators.
- Italian legislation implemented these principles through Law 99/2009, which assigned Terna the task of selecting, through public tenders, companies (Selected Entities) willing to finance specific interconnections in exchange for the benefits deriving from obtaining an exemption decree from third-party access to the transmission capacity made available by the relevant infrastructure. The Law provides that, in exchange for the granting of the exemption, such entities undertake to finance the interconnection infrastructure, granting Terna a mandate for the construction and operation of the interconnections.

Within the legislative framework established by Law 99/2009, Terna is responsible for the operation and maintenance (both ordinary and extraordinary) of the interconnectors that have been constructed and entered into service. In particular:

- Italy–Montenegro Interconnector Project: the project, completed on 28 December 2019, is owned by Monita Interconnector S.r.l., which was sold by the Terna group to private lenders on 17 December 2019.
- Italy–France Interconnector Project: the project, completed on 7 November 2022, is owned by Piemonte Savoia S.r.l., which was sold by the Terna group to private financiers on 4 July 2017.
- Italy–Austria Interconnector Project: the project, which entered into operation on 15 December 2023, is owned by Resia Interconnector S.r.l., which was sold by the Terna group to private financiers on 15 September 2021. Preparatory work is also continuing on the development of further interconnectors, including those with Switzerland and Slovenia.
- Italy–Switzerland Interconnector Project: this project, which involves the development of new transmission lines between Italy and Switzerland, aims to increase cross-border interconnection capacity on the Swiss border. The project is currently at the feasibility study stage.

¹⁸ Protection, Control and Command System

¹⁹ Battery Energy Storage System

- Italy–Slovenia Interconnector Project: it should be noted that on 1 October 2025, Terna and the Slovenian TSO ELES signed a strategic cooperation agreement aimed at strengthening the electricity interconnections between the two countries through the implementation of the project 'Removal of constraints on the 380 kV and 220 kV grid interconnected with Slovenia. The new interconnection will double the interconnection capacity between Italy and Slovenia. Under this agreement, it will be possible to proceed with the current project, currently undergoing authorisation on the Italian side, relating to the construction of the direct current interconnection, partly via submarine cable, between the Salgareda (IT) and Divača/Beričevo (SL) substations.
- Abroad – In international markets, the growing demand for electricity and the need to integrate renewable energy sources are driving significant investments in the electricity transmission sector, in which the Terna group plays a central role in the development of complex transmission system operator (TSO) networks.
The Terna group's international opportunity scouting activities focus on countries characterised by political stability, a regulatory framework allowing access to external operators, and returns not lower than those available in Italy.
As part of its international initiatives, the project aimed at enhancing the value of the group's activities in South America continued, through the implementation of the actions required to complete the disposal transaction currently underway in Peru, which is expected to be finalised in 2026.
It should be noted that:
 - on 27 August 2025 the liquidation process of Terna Chile S.p.A. was completed, a process that had been formally initiated on 17 December 2024;
 - on 30 May 2025, the subsidiary Terna USA LLC completed the sale of its entire 40% stake in the US-based jointly controlled company BMT Energy Transmission Development LLC to Meridiam Transmission Development LLC, a Delaware limited liability company;
 - on 20 October 2025, the subsidiary Terna USA LLC completed the sale of its entire shareholding, equal to 0.01% of the share capital, in the companies Terna 4 Chacas S.A.C. and Terna Perú S.A.C. to Rete S.r.l.
 Furthermore, on 16 February 2026, the liquidation process of Terna 4 Chacas S.A.C. was formally initiated. This process is expected to be completed in 2026.

Sustainable finance:

- Fully consistent with the group's strategy, aimed at combining investment and sustainability as drivers of growth and value creation, Terna aims to position itself as one of the leaders in the sustainable finance market. This strategy was further confirmed during 2025.
- As at 31 December 2025, the senior green bonds issued by Terna under the two Euro Medium Term Notes (EMTN) programmes amounted to 3.75 billion euro, in addition to the three green perpetual hybrid subordinated issuances, respectively issued in February 2022 and April 2024 on a standalone basis for a total amount of 1.85 billion euro, and in January 2026 under Terna's EMTN Programme listed on the Mercato Telematico delle Obbligazioni (MOT), for a total nominal amount of 850 million euro. This latest issuance represents Terna's first European Green Bond in perpetual, subordinated hybrid format.
- With reference to the green bond debt, on 10 February 2025 Terna launched a new single-tranche green bond issuance under the EMTN Programme, with a total nominal value of 750 million euro, a maturity of 7 years, and a maturity date of 17 February 2032. The bond was issued at a price of 99.975%, with a spread of 90 basis points over the midswap rate and carries an annual coupon of 3.125%. On 15 July 2025, Terna launched its first European Green Bond, issued as a single tranche under the 4,000,000,000 euro EMTN Programme, listed on the Mercato Telematico delle Obbligazioni (MOT) of Borsa Italiana and approved in June 2025 by the Commissione Nazionale per le Società e la Borsa (CONSOB), with a total nominal value of 750 million euro, a maturity of six years, and final maturity on 22 July 2031. The bond was issued at a price of 99.589%, with a spread of 70 basis points over the midswap rate and carries an annual coupon of 3.00%.
- Green bond issuances are intended to finance or refinance the so-called Eligible Green Projects, which are projects with environmental benefits meeting the criteria defined in the Green Bond Framework. This framework was updated by Terna in July 2025 and prepared in accordance with the Green Bond Principles updated by ICMA (International Capital Market Association) in June 2025, the requirements introduced by the new EU Regulation 2023/2631 (EU Green Bond Standard), as well as the European Union Taxonomy. Terna's Green Bond Framework was assessed in July 2025 by the Second Party Opinion provider S&P Global Ratings, which assigned an overall "Dark Green" rating, the highest level on the "Shades of Green" scale under S&P's methodology. In addition, in January 2026, Moody's Ratings assigned the Green Bond Framework an overall "SQS1 Sustainability Quality Score (Excellent)", the highest rating available under Moody's methodology.
Specifically, the net proceeds from the issuances are used to finance:
 - projects aimed at increasing production from renewable sources – for example, infrastructure to connect renewable electricity plants to the grid or that enables a greater input of energy from renewable sources into the grid;
 - projects aimed at reducing the CO2 emissions of the system by minimising grid losses – for example, infrastructure designed to improve the efficiency of the electrical transmission grid;
 - projects designed to improve the quality, security and resilience of grid infrastructure.

At 31 December 2025, Terna has access to multiple ESG-linked Term Loans with a total value of 2.5 billion euro, three ESG-linked Revolving Credit Facilities linked to sustainability metrics amounting to around 4.3 billion euro, and a 2 billion euro Commercial Paper (ECP) programme for short-term bond issuance, including conventional and "ESG Notes."

With regard to ESG-linked Revolving Credit Facilities, on 21 March 2025 an amendment and restatement agreement was signed to refinance and increase to 1.8 billion euro the amount of a Revolving Credit Facility originally entered into in December 2021 for 1.65 billion euro.

With regard to ESG-linked Term Loans, on 20 November 2025 an ESG-linked Credit Facility Agreement was signed with BPER Banca for a total amount of 200 million euro with a five-year maturity. In addition, on 18 December 2025, a further ESG-linked Credit Facility Agreement was signed with UniCredit for a total amount of 300 million euro with a maximum maturity of five years.

In line with Terna's commitment to sustainability and socio-environmental responsibility, the share buyback programme supporting the 2025-2029 Performance Share Plan was completed in September with a total investment of roughly 9 million euro and the purchase of 1,060,499 treasury shares (representing around 0.053% of the share capital). The Program incorporates a framework that ties the company's progress to achieving ESG goals.

Terna's leadership in sustainable finance has been widely recognised by the market which, since 2018, has warmly welcomed all the green bonds issued by the company. In January 2021, beyond its inclusion in the main ESG indices, Terna became the first Italian electric utility to join the Nasdaq Sustainable Bond Network, the platform managed by Nasdaq dedicated to sustainable finance, which brings together investors, issuers, investment banks and expert organisations.

Moreover, Terna continues to participate in the CFO Coalition for the SDGs, previously known as the CFO Taskforce for the SDGs, the initiative launched at the end of 2019 by the UN Global Compact for the development of sustainable finance, of which Terna is among the founding members. The Coalition aims to continue on the path of sustainability, expand the global community, and follow the example provided by the CFOs that founded the Task Force.

Providing further evidence of its commitment to play an active role in the development of sustainable finance, Terna participates in the Corporate Forum on Sustainable Finance, a network of leading European companies that are committed to developing sustainable finance as a tool to promote a more sustainable and responsible society.

Terna, both individually and within the framework of the aforementioned Corporate Forum on Sustainable Finance, constantly monitors the development of European legislation, paying particular attention to the impacts of the taxonomy for sustainable finance.

Lastly, it should be noted that on 26 January 2026, Terna launched a perpetual, subordinated, hybrid, non-convertible European Green Bond with a fixed rate, intended for institutional investors, for a total nominal amount of 850 million euro. The bond is non-callable for six years. The issue price is set at 100%, with a spread of 123 basis points over the Midswap rate, implying a subordination premium of less than 60 basis points compared with a senior issuance of equivalent maturity. The bond will pay a fixed annual coupon of 3.875% (equal to the effective rate of the transaction) until the first reset date (excluded), scheduled for 2 February 2032. From that date, if early redemption has not occurred, the hybrid bond will accrue annual interest at the five-year Euro Midswap reference rate, increased by an initial margin of 123 basis points, further increased by 25 basis points from 2 February 2037, and by an additional 75 basis points from 2 February 2052.

Additional financial resources:

On 10 July 2025, financing agreements totalling 1.5 billion euro were signed between the European Investment Bank (EIB), Terna, Intesa Sanpaolo (IMI CIB Division), and SACE to support the development and construction of the Adriatic Link, Terna's submarine power cable connecting Marche and Abruzzo.

In detail, the financial arrangement is split into three tranches, all guaranteed by SACE for over one billion euro covered by the Archimede Guarantee:

- a 750 million euro facility granted by the EIB to Terna, with a duration of 22 years starting from the first disbursement;
- a credit line of 500 million euro provided by Intesa Sanpaolo to Terna, with a duration of 7 years;
- an additional financing of 250 million euro from Intesa Sanpaolo, funded by the EIB and with a duration of 7 years, to support the project itself.

Terna adopts a dynamic approach to the management of its various financial risks, including market risks (interest rate, exchange rate and inflation risk), liquidity risk and credit risk. This approach is characterised by the continuous monitoring of financial markets, aimed both at carrying out the planned hedging transactions under favourable market conditions and at improving existing hedging positions whenever changes in market conditions render them unsuitable or excessively costly.

ITALGAS (GAS DISTRIBUTION, WATER SERVICES, AND ENERGY EFFICIENCY SECTOR)

Extraordinary transactions and tenders

- On 1 April 2025, Italgas completed the acquisition of 99.94% of the share capital of 2i Rete Gas S.p.A. from F2i SGR S.p.A. and Finavias S.à.r.l.. The acquisition, which had been announced to the market on 5 October 2024, was

completed after obtaining the necessary approvals under the Golden Power legislation, the Foreign Subsidies Regulation and from the *Autorità Garante della Concorrenza e del Mercato* [Italian Competition and Market Authority]. In addition, on 16 April 2025 the share consolidation of 2i Rete Gas S.p.A. became effective, following which Italgas held 100% of the company's share capital.

- On 1 July 2025, the merger by incorporation of 2i Rete Gas S.p.A. into Italgas Reti S.p.A. became effective, together with the partial demerger of Italgas Reti S.p.A. with the transfer to Bludigit S.p.A. of the IT business unit, including the 100% shareholding in IG Rete Dati S.r.l..
- On 22 September 2025, the Municipality of Catanzaro, acting as contracting entity, and Italgas Reti S.p.A. signed the contract for the management of the natural gas distribution service in the Catanzaro–Crotone territorial area for a period of twelve years (covering 109 municipalities within the ATEM [Minimum Territorial Area for gas distribution tenders] and 110,000 customers served).
- On 13 October 2025, the Municipality of Ivrea, acting as contracting entity, awarded Italgas Reti S.p.A. the management of the distribution service in the “*Torino 5*” territorial area, which includes 76 municipalities in the Canavese area, of which 64 are already connected to the gas network, with around 58 thousand customers served.

Antitrust Regulatory Requirements

- On 11 March 2025, the *Autorità Garante della Concorrenza e del Mercato* authorised the concentration relating to Italgas' acquisition of sole control of 2i Rete Gas S.p.A., subject to a number of divestment and behavioural obligations. On 6 June 2025, Italgas published a notice for the sale of approximately 600 thousand delivery points (PdR), corresponding to 20% of the total PdR in 31 ATEMs [Minimum Territorial Area for gas distribution tenders]²⁰, as well as a number of PdR equivalent to those acquired from 2i Rete Gas S.p.A. in a further four ²¹ATEMs. Following the submission of bids, the Authority confirmed the suitability of the potential purchasers: Ascopiave S.p.A., Erogasmet S.p.A., GP Infrastrutture S.r.l., and an *Associazione Temporanea di Imprese* (ATI) [temporary consortium] comprising Plures (formerly Alia Servizi Ambientali S.p.A.), Estra S.p.A. and Centria S.r.l.. The assets subject to divestment are located in twelve ATEMs (Bari 2, Barletta-Andria-Trani, Brescia 5, Campobasso, Frosinone 2, Massa Carrara, Padova 2 and 3, Pisa, Roma 5, Teramo and Viterbo) and include 247,000 delivery points, the related distribution networks and facilities, the personnel involved and the operational assets necessary to manage the service, for a total consideration of 253.1 million euro²². On 1 March 2026, the ATEMs of Bari 2, Barletta-Andria-Trani, Pisa and Teramo were transferred to the temporary consortium composed of Plures, Estra and Centria, corresponding to approximately 120,000 active PdR. The remaining disposals will be completed by the second quarter of 2026.

Equity transactions

- On 12 February 2025, pursuant to the 2021-2023 Co-investment Plan approved by the Ordinary and Extraordinary Shareholders' Meeting of 20 April 2021, the Board of Directors resolved to allocate a total of 511,604 new ordinary shares of the Company to the Plan's beneficiaries (the second cycle of the Plan) and resolved to carry out the second tranche of the capital increase approved by the aforementioned Meeting, amounting to a nominal 634,388.96 euro, funded from retained earnings.
- On 10 April 2025, the Italgas Shareholders' Meeting, held in extraordinary session, approved the proposal for a paid rights issue capital increase, for a maximum total amount of 1.02 billion euro. The share capital increase was finalised with the issue of 202,938,478 new shares. Furthermore, on the same date, the Shareholders' Meeting, in extraordinary session, approved the proposal to increase the share capital free of charge, in one or more tranches, for a maximum nominal amount of 558,000.00 euro, through the allocation pursuant to Article 2349 of the Italian Civil Code of a corresponding maximum amount drawn from retained earnings reserves, with the issuance of no more than 450,000 ordinary shares to be granted to the beneficiaries of the Stock Grant Plan approved by the Ordinary Shareholders' Meeting of 10 April 2025. In addition, on 10 April 2025, the Shareholders' Meeting of Italgas S.p.A., meeting in ordinary session, approved the 2025–2027 broad-based share ownership plan titled “Piano IGrant 2025–2027”, under which ordinary shares are to be allocated to group employees using shares deriving from two related share capital increases pursuant to Article 2349 of the Italian Civil Code. The approval of this plan aims to encourage the direct involvement of group employees in the creation of value over the medium to long term. The initiative proved highly successful, with more than 60% of eligible employees participating. Starting from September 2025, Italgas proceeded with the implementation of the planned transactions, resulting in the issuance of new ordinary shares in October and December through share capital increases carried out both free of charge and for consideration.

Funding operations

As part of the financing for the acquisition of 2i Rete Gas, Italgas has:

²⁰ In the ATEM areas of Agrigento, Bari 2, Benevento, Brescia 5, Caltanissetta, Campobasso, Caserta 2, Catania 1, Frosinone 2, L'Aquila 2, Mantova 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.

²¹ In the ATEMs of Barletta-Andria-Trani, Caserta 1, Cosenza 2, and Pisa.

²² Price subject to possible post-closing adjustment (upward or downward) based on positive or negative balancing adjustments.

- On 6 March, it placed a dual-tranche bond issue with a nominal value of 500 million euro, maturing in 5 and 9 years, with maturities on 6 March 2030 and 2034, both at a fixed rate and with an annual coupon of 2.875% and 3.500% respectively.
- Utilised the bridge loan of 1,000 million euro, granted pursuant to the loan agreement signed on 5 October 2024 with J.P. Morgan Chase Bank, N.A. – Milan Branch, Banco BPM S.p.A., Bank of America Europe Designated Activity Company – Milan Branch, Citibank N.A. – Milan Branch, Morgan Stanley Bank AG and Societe Generale – Milan Branch, acting as lending banks, for the payment of part of the consideration for the acquisition of 2i Rete Gas. On 2 June 2025, Italgas launched a rights issue of 1.02 billion euro. This transaction was completed on 24 June 2025 with the full subscription of the shares offered under the rights issue (more precisely, 98.7% subscribed during the rights issue period and the remaining 1.3% in the auction of unsubscribed rights) through the issue of 202,938,478 new shares at a subscription price of 5.026 euro per share. The funds raised from the capital increase enabled the full repayment of the bridge loan.
- During May and June, Italgas entered into three variable-rate bank loans with leading credit institutions, totalling 900 million euro and with a three-year term, intended to repay a bond issue that matured on 24 June and to refinance a maturing bank loan. Furthermore, in September, Italgas secured two variable-rate bank loans totalling 500 million euro with a three-year term, used to repay a bond issue maturing on 11 September.
- On 10 July 2025, CONSOB approved the new EMTN (Euro Medium Term Notes) Programme with a maximum nominal amount of 5 billion euro, which provides for the issue of one or more non-convertible bonds to be carried out within one year, to be placed exclusively with institutional investors. The new Italgas EMTN Programme provides for the issue of securities in dematerialised form, to be listed on the Mercato Telematico delle Obbligazioni (“MOT”), managed by Borsa Italiana S.p.A.

Rating

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

Other events

- On 26 March 2025, Italgas and GRDF (Gaz Réseau Distribution France) renewed their Memorandum of Understanding (MoU), originally signed in 2019, at the Italian Embassy in France, strengthening their strategic collaboration focused on innovation, digitalisation, and the sustainability of gas distribution networks.
- On 14 April 2025, Snam S.p.A. and CDP Reti S.p.A. signed an amendment to the shareholders’ agreement governing their shareholdings in Italgas S.p.A.. The extract of the amending agreement and the key information relating to the shareholders’ agreement are available on the Italgas website under the “Shareholders’ agreements” section.
- On 17 July 2025, Italgas S.p.A. and Cadent Gas Limited, the UK operator managing the largest natural gas distribution network in the United Kingdom, renewed the Memorandum of Understanding (MoU) signed in 2023, strengthening their strategic collaboration focused on innovation, digitalisation and the sustainability of gas distribution networks, while also extending the cooperation to cybersecurity and artificial intelligence.
- On 24 September 2025, PARI. – an association committed to combating gender-based violence and established with the support of founding members including Italgas S.p.A. – was invited to present its views before the Italian Parliamentary Commission of Inquiry on Femicide and Gender-Based Violence.
- On 2 October 2025, Hyround, the first plant in Italy producing green hydrogen directly connected to the city gas distribution network and powered by a 1 MW photovoltaic system, was inaugurated in Sardinia. Initial output of 21 tonnes per year is expected to increase to 70 tonnes by 2028, with applications in local public transport, the residential and commercial network of Sestu and a dairy production facility, supported by an investment of approximately 15 million euro and 1.5 million euro in funding from the PNRR for the hydrogen refuelling station.
- On 22 October 2025, Italgas S.p.A. reinforced its international leadership in methane emissions monitoring and reduction by achieving, for the fifth consecutive year, the “Gold Standard” status awarded under the 2025 An Eye on Methane report of the International Methane Emissions Observatory (IMEO).
- On 18 December 2025, Italgas S.p.A. successfully obtained its first ISO 9001 and ISO 45001 certifications issued by Det Norske Veritas (DNV) following the audit conducted between October and December 2025. This outcome confirms the strength of the management system and the ongoing commitment to improving processes, service quality and health and safety protection. The certifications recognise a management model focused on continuous improvement, risk prevention and employee wellbeing.

KEY CONSOLIDATED MANAGEMENT FIGURES

The accounting situation of the companies of the CDP RETI Group as at 31 December 2025 is presented below from a management accounting standpoint.

For detailed information concerning balance sheet and income statement performance, refer to the financial statements of the Group's companies, which contain full accounting information and analyses of the companies' operating performances.

Key financial figures

Items		2025	2024
Total revenue	(million of euro)	10,452	8,985
EBITDA	(million of euro)	7,576	6,562
EBITDA margin	(%)	72%	73%
Operating profit (EBIT)	(million of euro)	4,559	3,875
EBIT margin	(%)	44%	43%
Net income	(million of euro)	2,662	2,522
Profit margin	(%)	25%	28%

Key balance sheet and cash flow figures

Items		31/12/2025	31/12/2024
Property, plant and equipment	(million of euro)	48,282	44,121
Intangible assets	(million of euro)	19,386	12,807
Long-term financial liabilities	(million of euro)	45,980	37,075
Equity	(million of euro)	22,982	21,338
- attributable to the parent company CDP RETI	(million of euro)	5,596	5,142
- attributable to minority interests	(million of euro)	17,386	16,196
Net financial debt	(million of euro)	(42,957)	(35,711)

Other key figures

Items		2025	2024
Technical investments	(million of euro)	7,584	6,491
Net cash flow for the period	(million of euro)	(525)	1,488
Average workforce	(numbers)	16,127	14,354
Dividends distributed to shareholders during the period			
- from SNAM S.p.A.	(million of euro)	(974)	(946)
- from TERNA S.p.A.	(million of euro)	(795)	(691)
- from ITALGAS S.p.A.	(million of euro)	(329)	(286)
- from CDP RETI S.p.A.	(million of euro)	(571)	(531)

Ratios

Items		2025	2024
ROE	(%)	12%	13%
Net financial debt/EBIT	(numbers)	9.4	9.2
Net financial debt/Equity	(numbers)	1.9	1.7

With regard to key management figures, 2025 results were as follows:

Total revenues amounted to 10,452 million euro (8,985 million euro in 2024), an increase of 16.3% compared to the previous year.

Gross operating margin (EBITDA) amounted to 7,576 million euro (6,562 million euro in 2024), representing 72% of revenue, an increase of 1,014 million euro (+15.5%) compared to 2024. The contribution to the EBITDA margin was 28% for Snam, 26% for Terna and 18% for Italgas.

EBIT amounted to 4,559 million euro (3,875 million euro in 2024), with a percentage impact on revenues of 44% (a slight increase compared to 2024). These figures also reflect the amortisation/depreciation and impairment resulting from the purchase price allocation (PPA²³) process for the assets and liabilities of Snam, Terna and Italgas.

Net income amounted to 2,662 million euro (2,522 million euro in 2024), with a percentage impact on revenues of 25% (28% in 2024). Profit attributable to the parent company amounts to 742 million euro (732 million euro in 2024).

²³ This allocation, required by IFRS 3 (*International Financial Reporting Standard 3 – Business Combinations*), must be made by the buyer, in its consolidated financial statements, to justify the purchase cost incurred in the context of this acquisition.

Net financial debt was equal to 42,957 million euro, increasing by 7,246 million euro (+20.3%) on 31 December 2024. The total amount of 43 billion euro refers to Snam (40.8%), Terna (30.1%) and Italgas (25.3%), and the remaining portion (3.8%) to the Parent Company CDP RETI.

Technical investments amounted to 7,584 million euro at 31 December 2025 and related to Snam (38%), Terna (46%) and Italgas (16%).

Net cash flow for the year was negative at 525 million euro (with cash and cash equivalents falling from 4,628 million euro to 4,104 million euro), attributable to Terna (-479 million euro), Snam (-163 million euro), CDP RETI (-12 million euro) and partially offset by Italgas (129 million euro). Operating activities and financing activities generated cash flows of 6,578 million euro and 1,958 million euro respectively, which were absorbed by investing activities (net of divestments) amounting to -9,060 million euro.

ALTERNATIVE PERFORMANCE INDICATORS²⁴ (IAP)

CDP RETI measures the performance of the Group and its business sectors also on the basis of a number of measures not provided for in the IFRS. As a result, the measurement criterion used may not be consistent with that adopted by other groups and therefore may not be comparable.

Non-GAAP²⁵ financial reporting must be considered as supplementary and does not replace the information drafted in accordance with IFRS. In fact, the APMs presented in this Annual Report are considered significant for assessing operating performance with reference to the results of the CDP RETI Group as a whole. Furthermore, it is believed that they ensure better comparability over time of the same results, even though they are not substitutes or alternatives to the results determined by applying IFRS.

Pursuant to Consob Communication No. 0092543 of 3 December 2015, which implements Guidelines ESMA/2015/1415 on alternative performance measures, the components of each of these measures are described below:

- “EBITDA”: Profit for the year (from the statutory income statement) adjusted by the following items (included in the reclassified income statement of the consolidated/separate financial statements): (i) Net income on assets available for sale and discontinued operations, (ii) Income taxes, (iii) Financial income/expenses (including the effects of equity investments accounted for using the equity method), (iv) Amortisation, depreciation and impairment;
- “EBITDA margin”: the percentage impact of EBITDA on total revenues. This margin represents an indicator of the Group’s ability to generate profits through its revenues. In fact, the EBITDA margin measures the Group’s operating performance by analysing the percentage of revenues that become EBITDA;
- “EBIT”: EBITDA less amortisation, depreciation and impairment;
- “EBIT margin”: the percentage impact of EBIT on total revenues. This margin represents an indicator of the Group’s ability to generate profits through its revenues. In fact, the EBIT margin measures the Group’s operating performance by analysing the percentage of revenues that become EBIT;
- “ROE” (Return on equity): the ratio of Net income/loss for the period (over 12 months, from 1 January to 31 December) to average Total Equity at the beginning and at the end of the reporting period;
- “Net financial debt”²⁶: the sum of short-term and long-term debt, including financial payables for lease obligations pursuant to IFRS 16 net of cash and cash equivalents and other current financial assets. See the specific section for further details. Net financial debt represents an indicator of the ability to meet one’s financial obligations;
- “Net financial debt/EBIT” ratio: this measure is calculated by the Group as the ratio of Net financial debt, as monitored by the Group, to EBIT;
- “Net Financial Debt/Equity” ratio: this measures the level of solidity and efficiency of the capital structure in terms of the relative impact of borrowing and equity sources of financing (level of dependence on outside sources of financing). It is calculated as the ratio of Net financial debt, as monitored by the Group, to Equity;
- “Net financial debt/Dividends” ratio: this indicator is calculated as the ratio of Net financial debt to dividends for the period;
- Operating Income/Loss: calculated as the sum of income and financial expenses (excluding dividends for the period), amortisation/depreciation charges and administrative expenses;
- “Dividends/Financial Expenses” ratio: this indicator is calculated as the ratio of dividends for the period to financial expenses;
- Market value of equity investment portfolio: product of the number of CDP RETI shares multiplied by the official price per share at the end of the period of Snam, Terna and Italgas.

The calculation of these measures, unchanged with respect to those used at 31 December 2024, is consistent with that recorded in the comparison period.

²⁴ A financial indicator of historical or future financial performance, financial position, or cash flows, other than a financial indicator defined or specified in the applicable financial reporting framework. Alternative performance indicators are usually derived from (or based on) the financial statements prepared in accordance with the applicable financial reporting regulations, most often by adding to or subtracting from amounts reported in the financial statements (ESMA Guidelines 2015/1415 – Articles 17 and 18).

²⁵ Generally accepted accounting principles (GAAP) represent the set of accounting standards that companies must follow when preparing their financial statements.

²⁶ Calculated in accordance with Consob communication No. DEM/6064293 of 2006, as amended on 5 May 2021 to implement the new ESMA recommendations 32-232-1138 of 4 March 2021 concerning the Net financial position.

3. ORGANISATIONAL STRUCTURE

3.1 THE ORGANISATIONAL STRUCTURE

As of 31 December 2025, CDP RETI has a workforce of five employees: four permanent staff and one fixed-term employee, in addition to 14 staff members on part-time secondment.

More generally speaking, it should be noted how the Company uses the operating support of the parent company CDP S.p.A. and of CDP Equity S.p.A. based on service agreements that provide the Company with all the skills and services that are key for the correct performance of its business.

Reported below are the average headcounts for the three groups - Snam, Terna, and Italgas:

SNAM

(average numbers)

	31/12/2025	31/12/2024
Senior Managers	141	138
Middle Managers	746	712
Office staff	2,177	2,136
Manual workers	962	878
Total	4,026	3,864

TERNA

(average numbers)

	31/12/2025	31/12/2024
Senior Managers	99	103
Middle Managers	990	928
Office staff	3,991	3,512
Manual workers	1,688	1,604
Total	6,768	6,147

ITALGAS

(average numbers)

	31/12/2025	31/12/2024
Senior Managers	91	82
Middle Managers	499	431
Office staff	3,113	2,513
Manual workers	1,625	1,312
Total	5,328	4,338

3.2 RISK FACTORS

INTRODUCTION

In the ordinary conduct of its business operations, CDP RETI Group is exposed to various financial and non-financial risks that could impact the Group's economic, equity, and financial position if they arise.

This section illustrates the main risks to which the CDP RETI Group is exposed in the ordinary management of its business activities, as measured and managed at the level of Terna, Snam and Italgas. For the description of the financial risks, reference is made to the specific "Financial risk management" section of the notes to the Consolidated Financial

Statements, and to the “Information on risks and related hedging policies” section of the notes to the Separate Financial Statements.

The main risks, classified by sector and risk categories, are outlined below.

SNAM GROUP

STRATEGIC RISKS

Regulatory and legislative risk

Snam’s regulatory and legislative risk concerns the rules applicable to the gas industry. The resolutions of the Energy Networks and Environment Regulator (ARERA) and the National Regulatory Authorities of the countries where the foreign affiliates operate, the European and Italian legislation and, more generally, changes to the reference regulatory framework may have a significant impact on Snam’s operations, earnings and financial stability.

It is not possible to predict how future changes in legislative and tax policies might affect Snam’s business and the industry in which it operates. Considering the specific nature of its business and the area in which Snam operates, developments in the regulatory context with regard to criteria for determining reference tariffs are particularly significant. With reference to Snam’s non-regulated activities, which are currently marginal compared with the EBITDA of regulated activities, it should be noted that they are linked to developments in incentive-related legislation, with potential impacts on the performance and growth of the related businesses.

Macroeconomic and geopolitical risk

Due to the specific nature of Snam’s business, the risks associated with political, social, and economic instability in the countries supplying natural gas, primarily related to the gas transportation sector, remain of primary importance. Most of the natural gas transported on the Italian national transport network is historically imported from or transits through countries in the MENA area (Middle East and North Africa, in particular Algeria, Tunisia, Libya and, in light of TANAP-TAP, Turkey combined with the States which overlook the eastern Mediterranean) and in the former Soviet Bloc, nations sensitive to political, social and economic instability. The ongoing Russian-Ukrainian conflict, now entering its fourth year, continues to disrupt global and regional energy dynamics, heightening uncertainty over gas flows from these regions. Furthermore, in 2024, the escalation of tensions in the Middle East, marked by intensified clashes between armed groups in Libya and internal conflicts in Tunisia, has further complicated the geopolitical landscape, heightening the risk of interruptions on natural gas supplies. Such turbulences may not only have a negative impact on the European economy, but also introduce additional challenges in managing energy supply sources. Snam will continue to monitor the geopolitical context, including potential consequences and their impact on the group. In response to these developments, Snam has focused on securing supply by improving flexibility and ensuring the gas infrastructure is adequately scaled. The actions undertaken include purchasing new floating regasification units (FSRUs) and upgrading the existing infrastructure. In particular, the “Italis LNG” regasification terminal, acquired in June 2022 and located in Piombino, began operations in July 2023, while the “BW Singapore” regasification terminal, acquired in July 2022 and moored approximately 8 km off the coast of Ravenna, commenced operations in May 2025. Both provide a storage capacity of 170,000 cubic metres of LNG and an annual regasification capacity of 5 billion cubic metres of gas.

Furthermore, work has begun on the Adriatic Line, Snam’s new gas pipeline along the North-South route in Italy.

Should shippers using Snam’s transport services be unable to source or transport natural gas from or through the aforementioned countries due to such adverse conditions, or be otherwise affected to an extent that results in or incentivises their inability to fulfil their contractual obligations towards Snam, this could have adverse effects on the Snam group’s operations and financial position, results of operations and cash flows.

In addition, Snam is exposed to macroeconomic risks arising from displacement or tension in financial markets or situations deriving from external events, which could affect liquidity and accessibility to financial markets. Given the ongoing geopolitical tensions and high volatility in energy markets, it is crucial to maintain a diversified and resilient supply strategy.

Market risk

Lastly, as to the risk linked to gas demand, under the current tariff system applied by the Energy Networks and Environment Regulator (hereinafter ARERA or the Authority) to natural gas transport, Snam’s revenues, through its directly controlled transport subsidiaries, are partly correlated to volumes redelivered. However, with Resolution 139/2023/R/gas for the sixth regulatory period (2024-2027), ARERA confirmed the guarantee mechanism covering the share of revenues correlated with redelivered volumes already introduced in the fourth regulatory period on volumes transported. This mechanism reconciles higher or lower revenues exceeding $\pm 4\%$ of the reference revenue correlated with output volumes. This mechanism guarantees about 99.5% of the authorised overall revenues from transmission activities.

Under the current tariff system applied by ARERA to natural gas storage, Snam's revenues, through Stogit, are correlated to the use of infrastructure. However, ARERA has introduced a guarantee mechanism covering reference revenues, which allows companies to cover a main share of the recognised revenues. With the fifth regulatory period (2020-2025), Resolution No. 419/2019/R/gas extended the guarantee level to cover 100% of the recognised revenues. The same resolution also introduced an enhanced incentive mechanism (defined by subsequent Resolution 232/2020/R/gas) through voluntary participation, which provides for a 50% increase in the profit-sharing of revenues from short-term services against a reduction in the portion of recognised revenue subject to a hedging factor. The revenue guarantee mechanism has been extended to the sixth regulatory period for storage (2026–2029) under Resolution 137/2025/R/gas. The resolution also introduced an incentive mechanism aimed at improving the efficiency of actual capital expenditure compared with estimated expenditure.

Finally, with reference to the tariff regulatory criteria for the LNG regasification service for the fifth regulatory period (2020-2023), resolution 474/2019/R/gas confirmed the mechanism to cover reference revenue at a guaranteed minimum level of 64%. Resolution 196/2023/R/gas relating to the tariff regulation criteria for the sixth regulatory period (2024-2027) confirmed the mechanism and established a fund for the new regasifiers pursuant to Legislative Decree 50/2022 (art. 5), earmarked to cover the portion of revenues for the regasification service, including the cost of purchase and/or construction of new plants, with priority placed on the portion exceeding the application of the revenue coverage factor. In general, the changes in the current regulatory framework might have adverse impacts on the Snam group's business, financial position and results.

In foreign markets, protections against market risk are provided by the French, Greek, and Austrian regulations. Another type of protection comes from long-term contracts with TAP (expiring in 2045), GCA (with gradual expirations until 2031), Teréga (with gradual expirations of long-term contracts at the interconnection point with Spain starting from 2023). The UK regulation does not guarantee coverage from volume risk, but the current capacity bookings of the Interconnector subsidiary already exceed the regulatory cap for the period 2023-2026.

With reference to the subsidiary SeaCorridor, a joint venture that manages the international pipelines linking Algeria to Italy, although operating in an unregulated context and exposed to volume risk, the company can benefit from medium- to long-term contracts already in place and a prospect of utilization close to maximum capacity given that it represents one of the main sources of imports to replace Russian gas. In addition, the contractual arrangements of the purchase and sale with Eni, provide protection to Snam toward volume fluctuations from pre-set estimates.

With reference to the macroeconomic context of the market and consumption, in pricing terms, 2025 opened with an upward trend, with average prices in January and February of approximately 52 €/MWh. This trend was driven by demand-side pressures, due to particularly strong gas consumption, resulting both from colder weather conditions across Europe and increased gas-fired thermoelectric generation, which compensated for lower renewable output from hydroelectric and wind sources. The trend reversed from March 2025 onwards, with prices progressively declining and an average price of approximately 36.5 €/MWh for the March–December 2025 period, in line with the 2024 average, ending the year at just above 31 €/MWh. Overall, the trend highlights increased price volatility, with the market remaining sensitive to fluctuations on both the demand side, due to short-term weather-related factors, and the supply side, amplifying not only the impact of international tensions on the energy market but also the effects of temporary unavailability linked to scheduled maintenance of supply infrastructure (pipelines and LNG facilities). Regarding gas, Snam has continued to mitigate this risk through measures implemented in recent years, including:

- investments in the upgrading of network infrastructure to facilitate internal gas flow transits (Adriatic Line), and the development of new import capacity, particularly LNG, through the full operation of the Piombino LNG terminal and the commissioning of the Ravenna LNG terminal, which have improved the diversification of supply sources and further reduced dependence on Russian supplies;
- significant availability of gas storage capacity, covering more than 25% of current gas demand, thereby enhancing the system's resilience to supply disruptions;
- efficient network management, through coordination with other infrastructure operators and, where necessary, the adoption of innovative tools to address extraordinary emergencies, such as peak shaving through regasification terminals and interruptibility services for withdrawals from the transport network. These measures, included in the national emergency plan (managed by the Italian Environment and Energy Security Ministry - MASE), have proven effective, ensuring the continuity of supplies even during periods of high demand.

For certain segments, particularly industrial and residential users, there may be a perception that high energy prices are structural, leading to investments in process, plant and building efficiency aimed at reducing consumption, with the potential risk of reduced gas supply volumes or, in some cases, the complete substitution of gas consumption with alternative energy carriers such as electricity.

Climate change risk

Achieving global climate targets will require significant investment in the decarbonisation of the energy sector over the next 30 years.

In recent years, Snam has repositioned itself to benefit from the new opportunities arising from energy integration, leveraging infrastructure that will be crucial for achieving decarbonisation targets, its presence in energy integration businesses, international growth and a disciplined investment approach. Snam has therefore committed to achieving

carbon neutrality by 2040 for its Scope 1 and 2 emissions and net zero by 2050 across all Scope 1, 2 and 3 emissions, with interim reduction targets of 25%, 40%, 50% and 65% for Scope 1 and 2 in 2027, 2030, 2032 and 2035, respectively, and reduction targets of 30% and 35% for Scope 3 in 2030 and 2032, compared with 2022 levels for the regulated business, in line with the global warming mitigation targets set out in the Paris Agreement adopted at the COP21 climate conference. Snam has also set methane emission reduction targets of -64.5% by 2027 and -70% by 2030 compared with 2015 levels, in line with the recommendations of OGMP 2.0 (the Oil & Gas Methane Partnership) of UNEP (United Nations Environment Programme).

With regard to the risks associated with the emissions market, within the scope of the European Union directives on trading carbon dioxide emission permits and the rules for controlling emissions of certain atmospheric pollutants, the update of the sector regulations accompanying the start of the fourth regulatory period (2021-2030) of the European Emissions Trading System (EU ETS), also through the introduction of a new carbon border adjustment mechanism (CBAM), has confirmed a continuous reduction in the number of free emission allowances. Targets are allocated to each facility with progressively decreasing allocations, rather than constant levels, and also depend on the actual operational performance of the facilities. The allowances granted free of charge to the group's plants are no longer sufficient to comply with regulatory compliance obligations relating to ETS mechanisms; that is why the companies of the Snam group obtain the missing allowances from the market.

With Resolution 139/2023/R/gas of 5 April 2023, ARERA defined the regulatory criteria for the sixth regulatory period (2024-2027) of the natural gas transmission and metering service, including – among other things – the recognition of costs related to the Emission Trading System (ETS). Resolutions 419/2019/R/gas and 137/2025/R/gas introduced the recognition of costs related to the ETS mechanism also for the storage service (regulatory periods 2020–2025 and 2026–2029), and Resolution 196/2023/R/gas for the regasification service (2024–2027).

Climate change scenarios may also lead to changes in the energy mix choices of different European countries and in consumer behaviour, with an impact on natural gas demand and, consequently, on transported volumes

On the one hand, in the short and medium term, gas could benefit from its greater sustainability than other fossil fuels and represent a bridging solution towards the complete decarbonisation of some sectors.

At the same time, policy measures and individual choices could result in a gradual decline in natural gas consumption, with consequent effects on the current utilisation of infrastructure. The increase in decarbonisation targets at EU and international level, including support for energy integration aimed at phasing out fossil fuels by 2050, as reflected in the COP29 and G7 communications, as well as potential new legislative proposals for an intermediate emission reduction target of 90% by 2040, in addition to existing policies on energy integration (such as the Fit for 55 package and the EU Taxonomy) and the publication of key studies in the international energy landscape (such as the International Energy Agency's Net Zero roadmap), could accelerate the progressive reduction in demand for and supply of fossil natural gas. On the other hand, this could encourage a greater and earlier penetration of renewable, low-carbon gases (green hydrogen, blue hydrogen, biomethane, synthetic methane) in the energy mix, supporting the promotion of Snam's new businesses.

Climate change may also increase the severity of extreme weather events, such as floods, droughts and extreme temperature fluctuations, leading to the deterioration of natural and hydrogeological conditions, with potential impacts on both the quality and continuity of services provided by Snam and on Italian and European gas demand.

The Company may also face pressure from stakeholders both regarding its ability to meet their expectations on climate change and concerning Snam's role as a gas system operator. Finally, Snam has signed up to the Methane Guiding Principles, which commit the company to further reducing methane emissions arising from its activities within the natural gas infrastructure. By adhering to these principles, Snam has also committed to encouraging other players across the entire gas supply chain – from producer to end consumer – to pursue the same objective. Snam has also joined the Oil & Gas Methane Partnership (OGMP) 2.0, a voluntary initiative launched under the UNEP to support oil and gas companies in reducing methane emissions. Snam has participated in, and remains actively involved in, the various UN working groups that have enabled the development of a framework designed to provide governments and the public with the assurance that methane emissions are being addressed and managed responsibly, with progress being made towards stated targets and through transparency and collaboration, including the implementation of best practices. The protocol sets out targets to be achieved: a 45% reduction by 2025 compared to 2015. Since 2021, Snam has raised its methane emissions reduction target from -45% to -55% by 2025 compared to 2015 for its operational assets, a more ambitious target than that set out in the OGMP 2.0 protocol. This target has already been achieved and has become a fundamental part of the Decarbonisation Strategy. In 2023, Snam raised its new target for reducing methane emissions by 2030 compared to 2015, increasing it from -65% to -70% (and to -72% by 2032) for its operating business, a target aligned with the recommendations of OGMP 2.0. UNEP has also confirmed Snam's Gold Standard status for 2025. This highest level of recognition, which Snam has achieved every year since 2021 as required by the OGMP 2.0 protocol, rewards the Company's commitment to reporting activities and the reduction of methane emissions.

DEVELOPMENT OF TECHNOLOGIES RELATED TO DECARBONISATION

The energy sector is undergoing a momentous transformation, having to balance the need for energy security and competitive prices with decarbonisation targets. Without compromising its commitment to its core business of regulated natural gas transmission, storage and regasification activities, Snam is also investing in the development of solutions such as carbon capture and storage (CCS), as well as in decarbonised gases (biomethane today, hydrogen tomorrow) and in

contributing to the decarbonisation of consumption through the implementation of energy efficiency measures. The ability to develop and manage natural gas transmission and storage projects, the new expertise acquired in decarbonised gases and new solutions for energy integration, and the geographical presence along the main natural gas (and future hydrogen) supply corridors, combined with a strategy focused on ESG factors, constitute an essential contribution to the development of a more competitive, secure and carbon-neutral energy system. By entering new business sectors, Snam aims to promote the use of low-carbon energy sources, in line with the group's objectives and with European decarbonisation targets, including long-term ones; however, it remains exposed to market, regulatory and technological uncertainties that could delay or limit the expected returns from these initiatives. It is precisely within this long-term perspective that the new 2026–2030 Strategic Plan should be viewed, as it focuses on CCS technology and the future development of hydrogen. For CCS, the initial phase of the Ravenna project is expected to be completed within the plan's timeframe, whilst hydrogen is considered for the medium to long term. At the same time, the plan sets ambitious targets for innovation, which is seen as a key enabler for energy integration. In this context, and with particular reference to the Group's strategy, the main risk factors include risks relating to infrastructure investments and the CCS market (infrastructure, projects and new acquisitions) which could be subject to delays or fail to be fully realised due to uncertainties relating to operational, economic, regulatory, authorisation, competitive and social factors, as well as delays in the development of the hydrogen market in terms of the value chain. Other risks stem from technological innovation, which could accelerate the shift towards electric technologies and/or delay the development of new technologies for the production, transport and storage of renewable, low-carbon hydrogen at competitive costs. Uncertainty surrounding the evolving regulatory framework is delaying the implementation of projects and the financing of hydrogen production.

LEGAL AND COMPLIANCE RISK

Legal and compliance risk concerns the failure to comply, in full or in part, with laws and regulations at European, national, regional and local level with which Snam must comply in relation to the activities it performs. Violation of such laws and regulations may result in criminal, civil, tax and/or administrative penalties as well as financial and non-financial, economic and/or reputational damage.

On the other hand, the violation of specific regulations (by way of example, but not limited to, infringements of occupational health and safety and environmental protection regulations or anti-corruption rules) may entail the corporate administrative liability of the company pursuant to Italian Legislative Decree No. 231 of 8 June 2001, and the consequent application of disqualification measures and/or pecuniary sanctions, including significant penalties. Snam, which has always been driven by carrying out its business activities with ethical standards and principles of fairness and transparency, has therefore adopted an adequate internal control and risk management system aimed at enabling the identification, measurement, management, prevention and monitoring of the main risks relating to the activities carried out.

Snam, which has always been driven by carrying out its business activities with ethical standards and principles of fairness and transparency, has therefore adopted an adequate internal control and risk management system aimed at enabling the identification, measurement, management, prevention and monitoring of the main risks relating to the activities carried out. In 2022, Snam launched a project to implement its "Anti-Corruption Compliance Program" in accordance with ISO 37001:2016 "Anti-Corruption Management System" standards, to both confirm and certify its ongoing commitment to the fight against corruption. Consequently, in May 2023, Snam obtained the ISO 37001:2016 "Anti-Corruption Management System" certification from a third-party certification body (DNV Business Assurance Italia S.r.l.), issued with no deficiencies. This certification was confirmed following the annual control audit conducted by DNV in April 2025. The main reference documents for the "Anti-Corruption Compliance Program" are (i) the Code of Ethics; (ii) the Anti-Corruption Policy – drafted in accordance with the UNI ISO 37001:2016 standard and approved by Snam's Board of Directors on 18 January 2023 – reflecting the commitment of "Top Management" in addressing corruption risk prevention, and incorporating the fundamental elements highlighted by ISO 37001; and (iii) the Anti-Corruption Guidelines, which encompass the comprehensive regulatory framework for the anti-corruption measures adopted by Snam.

Within a continuous improvement framework, the Anti-Corruption Compliance Programme led to the revision of the Anti-Corruption Guideline and its annexes, and to the alignment of third-party due diligence with the risk-based approach adopted under the ISO 37001 Management System. Snam is also a member of the United Nations Global Compact and, in 2023, strengthened its collaborations and partnerships with institutions and bodies active in the fight against corruption (i.e. Transparency International, the Organisation for Economic Co-operation and Development (OECD) and the Business and Industry Advisory Committee (BIAC)).

In 2025, Snam also proactively collaborated with Transparency International Italia, participating in the "BIF Talks - Transparency International Italia" held in Pisa and the "BIF Event" held in Rome. Through Snam's active involvement, these events provided a platform to share experiences and insights on the new challenges of corporate compliance in relation to culture and sustainability, ranging from the CSRD to human rights and environmental issues.

Since 2017, Snam has been collaborating with the OECD (Organisation for Economic Co-operation and Development), joining the Business at OECD Committee (BIAC), and in October 2019, as the first Italian company, it became part of the leadership as Vice-Chair of the Anti-Corruption Committee, a role it continues to hold. As part of this collaboration, Snam actively participated in numerous national and international events. One of the key highlights was Snam's contribution at the Bureau meeting of the BIAC Anti-Corruption Committee, where strategic topics were explored, especially addressing the ethical implications of AI technology advancement.

Within the context of multilateral collaborations, in 2025 Snam actively participated, in particular, in the following OECD/BIAC activities: (i) contribution to the policy paper on corporate communication actions to highlight efforts towards business integrity, through which Snam positioned itself as a role model, also thanks to the use cases shared in the document; (ii) participation in the OECD Global Anti-Corruption & Integrity Forum, held in Paris from 25 to 27 March 2025, a key international event for dialogue among institutions, companies and stakeholders on strategies to enhance transparency and combat corruption, where Snam's General Counsel participated, as Vice-Chair of the Committee, in the session "The Global Approach: Enhancing Capacity Building Also for SMEs"; (iii) membership of the BIAC Infrastructure Contact Group, with participation in related working groups.

OPERATIONAL RISKS

Ownership of storage concessions

For Snam, the risk connected with keeping storage concessions stems from the business operated by its subsidiary Stogit, on the basis of concessions awarded by the Italian Ministry of Enterprise and Made in Italy. The group (through Stogit) currently holds the rights to thirteen storage concessions, each corresponding to a storage field, of which twelve are currently operational. The first ten-year extensions for the concessions in Brugherio, Ripalta, Sergnano, Settala and Sabbioncello were issued at the end of 2020, with a new expiration date of 31 December 2026, while those for the concessions in Cortemaggiore and Minerbio were issued in January 2022 also expiring on 31 December 2026. For the Alfonsine concession, the process for the first extension is still pending with the relevant Ministry. The Company's activities, as required by the relevant regulations, will continue to be carried out until the completion of the ongoing authorisation procedures, as provided by the original permit, the expiry of which is to be automatically extended until the completion of these procedures. For the Collalto concession, which expired in 2024, the process for the initial renewal is underway, and activities may continue as permitted by regulations until the procedure is finalised. The concession for San Potito and Cotignola will expire in 2039 and can be renewed only once for a further ten years. For ten concessions, Fiume Treste in 2020 and Alfonsine, Brugherio, Cellino, Cortemaggiore, Minerbio, Ripalta, Sabbioncello, Sergnano, and Settala in 2024, the company submitted, within the legal deadlines, an application for a second ten-year extension to the Ministry of Enterprises and Made in Italy. For the Fiume Treste concession, which underwent its first ten-year extension in 2011, the second ten-year extension was issued on 18 June 2024, with the new expiry date being 20 June 2032. Lastly, the Bordolano concession will expire in November 2031 and may be extended for an additional ten years. In the event that Stogit is unable to retain ownership of one or more of its concessions or if, at the time of renewal, concessions are awarded under terms less favourable than current ones, the company may experience negative effects on its business, financial position and results.

Failures and sudden outage of the service

Given the current geopolitical context and the central role of gas infrastructure in ensuring Europe's energy security, Snam's network, storage facilities, regasification terminals and related activities represent critical infrastructure for the country and for the European gas system as a whole. The continuity and reliability of these activities are therefore of strategic importance, and any malfunction or interruption could have significant repercussions not only on Snam's operations but also on the broader security of energy supply. Operational risks mainly consist of malfunctions and unexpected service interruptions caused by accidental events, including incidents, failures or malfunctions of equipment or control systems, reduced plant output and extraordinary events such as explosions, fires, earthquakes, landslides or other similar events beyond Snam's control. Such events could result in reduced revenues and may also cause significant harm to people, with potential compensation obligations. In addition to accidental and natural events, the current international environment also exposes Snam's assets to the risk of deliberate acts by hostile domestic or international actors. These may include physical attacks, sabotage or acts of terrorism targeting, without limitation, pipelines, compression stations, storage wells or regasification terminals. Such events could result in temporary or prolonged unavailability of infrastructure, with potentially significant financial, operational and reputational impacts. Although Snam has implemented robust security measures and specific insurance policies covering some of these risks, and continuously strengthens its physical protection systems in line with national and European directives on the resilience of critical infrastructure, such insurance coverage and preventive measures may nevertheless prove insufficient to fully compensate for all losses, liabilities or cost increases arising from such events.

Delays in infrastructure work progress

Snam may incur delays in infrastructure work progress due to the many unknown factors linked to operational, financial, regulatory, authorisation, competition, social, health or climate emergency aspects over which it has no control. Snam is therefore unable to absolutely guarantee that planned works to expand, improve and maintain the infrastructure are effectively undertaken or, if undertaken, are effectively completed or able to achieve the benefits envisaged by the tariff system. Furthermore, development projects may involve higher levels of investment or longer timeframes than initially estimated, thus affecting Snam's financial position and performance. Investment projects could be stalled or delayed due to difficulties in obtaining environmental and/or administrative authorisations or due to objections raised by political forces

or other organisations, or could be affected by changes in the price of equipment, material and labour, as well as changes in the political or regulatory framework during construction, or even by the inability to secure financing at an acceptable interest rate. Such delays might have adverse impacts on the Snam group's business, financial position and results. In addition, changes in the price of commodities, equipment, material and labour could affect Snam's financial results.

Environmental risks

Snam's sites are compliant with laws and regulations on pollution, prevention and control, environmental protection, use of hazardous substances, and waste management. Applying these rules exposes Snam to contingent costs and liabilities connected with the use of its assets. Snam cannot predict the evolution of environmental legislation over time and whether and in what way it may eventually become more binding. Nor can assurance be provided that future costs necessary to ensure compliance with environmental legislation will not increase or that these costs may be recovered within the applicable tariff mechanisms or regulation. Costs arising from potential environmental remediation obligations at Snam sites are also subject to significant uncertainty, as they are particularly difficult to estimate both in terms of the extent of contamination and the appropriate corrective actions to be implemented, as well as the possible sharing of responsibility with other parties. Although Snam has entered into specific insurance contracts to cover some environmental risks, in line with industry best practices, substantial increases in costs related to environmental compliance and other associated aspects cannot be ruled out, nor can the costs of potential penalties, which could negatively impact business, operational results, and financial and reputational aspects.

Employees and personnel in key roles

Snam's ability to run its business efficiently is dependent on the skills and performance of its personnel. The loss of key personnel or the inability to attract, train and retain skilled personnel (especially in technical positions for which there may be limited availability of appropriately skilled personnel), or situations where the ability to implement a long-term business strategy is negatively affected by significant disputes with employees, could have an adverse impact on the business, the financial situation and the operating results. The events related to this risk category may also refer to the issues of Diversity and Inclusion.

Risk linked to foreign equity investments

Snam's foreign investee companies may be subject to regulatory/legislative risk, political, social and economic instability risk, market risk, climate change risk, cybersecurity risk, credit and financial risks and all other risks typically affecting Snam's business in the natural gas transport, storage and regasification sector. These risks could therefore have an adverse impact on their business, financial position and performance. This could have a negative impact on the investees' contribution to Snam's net income.

Risks linked to future acquisitions/investments

Any investment made under joint venture agreements and any other future investment in Italian or foreign companies may increase the complexity of the Snam group's operations without any certainty that such investments will generate the expected profitability within the scope of the acquisition or investment decision, or that they will integrate correctly in terms of quality standards, policies and procedures in a manner consistent with the rest of Snam's operating activities. The integration process may require additional costs and investments. An inadequate management or supervision of the investment could have negative impacts on business, operating results and financial performance.

Emerging risks

The Snam's group's Risk Management model pays particular attention to identifying changes in the operating environment in order to detect events or macro-trends originating from outside the organisation that could have a significant medium-to-long-term impact (3-5 years and more) on Snam's business or its industry sector. These changes may give rise to new risks in the long term, but may also have immediate consequences for the company, changing the nature and extent of the potential impacts and likelihood of occurrence of the risks already identified. The purpose of the process of identifying emerging risks is to be able to assess their impacts in a timely manner to be able to put in place the necessary strategies and related mitigation actions to prevent and control those risks. In this area, some of the emerging risks identified by Snam are exposure to global LNG market dynamics as well as Technological Innovation and Artificial Intelligence (AI).

CYBERSECURITY

Snam adopts a complex technological structure to conduct its business, relying on an integrated model of processes and solutions able to ensure the efficient management of the gas system nationwide. The development of business and the adoption of innovative solutions to constantly improve it, however, require continuous attention and adaptability to the changing needs of cybersecurity protection. Snam has been making significant investments in digitisation for years - from

the control of activities on a remote basis to the adoption of complex infrastructure enabling the Internet of Things - through which Snam aims to become the most technologically advanced transmission gas operator in the world and ensure ever increasing levels of security and sustainability of its business processes.

Snam's view, supported by public data and evidence, is that cybersecurity threats should be assessed and managed with great sensitivity and attention also because they will evolve further in terms of both number and complexity. The digital channel is increasingly used illicitly by different types of actors with different aims and different methods: cyber criminals, cyber hackers, state-sponsored action groups. The radical changes taking place in the logics and working processes following the pandemic (including the widespread use of remote working) have exacerbated certain specific types of threat and have made it necessary to increase the levels of attention to criminal phenomena that are bound to persist over time. In addition, technological development has made increasingly sophisticated tools available to attackers, enabling them to increase the effectiveness of existing attack techniques and develop new ones. The increasing digitisation of the network with the use of new technologies (e.g., Internet of Things, Artificial Intelligence) also poses significant challenges to the group, broadening the potential attack surface exposed to internal and external threats.

Finally, global geopolitical tensions should not be underestimated, as cyberspace has effectively become a domain of economic and political competition and conflict. In such a scenario, cybersecurity assumes a critical role, being tasked with preventing or responding to a wide range of events, from the compromise of individual workstations to the degradation of entire business processes in transport, storage and regasification, with potential impacts on the normal ability to provide services.

A correct approach to cyber security management is also necessary to ensuring full compliance with the increasingly strict industry sector regulations, issued both at European and Italian level, aimed at improving the management and control of companies that provide essential services for Italy.

Exposure to global LNG market dynamics

Description

As a result of the reduction in gas imports from Russia, to compensate for the previously imported volumes, a series of measures have been introduced to ensure greater diversification of import sources, particularly by integrating increasing volumes of LNG into the system through the expansion of regasification capacity (new FSRUs). This new configuration of the gas system calls for further consideration on the security of supplies. Previously, most of the gas imported came from countries bordering Europe (Russia, Azerbaijan, North Africa) interconnected with the Continent thanks to the presence of a pipeline network capable of ensuring stability of contractual relations with the interlocutors over time and consequently favouring continuity of supply from importing countries. Conversely, LNG is a more flexible source whose routes are more sensitive to global market dynamics.

Impact

The market has therefore evolved from a regional gas market with limited competition to a global one, with the risk that, in both the short and long term, exogenous factors of various kinds, such as prolonged adverse weather conditions (e.g. extended shortages of electricity from renewable sources due to reduced solar radiation or insufficient wind) and/or geopolitical factors, may have direct impacts on both the sustainability of supply and gas storage reserves, with consequences for national energy security, the stability of the energy system at European level and energy prices. Not only that, but such possibility could also favour fuel switching measures, as it has partly already happened with the increased use of coal in Europe in 2022 with direct consequences on Snam's businesses (i.e. reduced gas demand, with limited impacts at present given the current regulatory framework, network operational management under more critical conditions) and potential reprioritisation of investment strategies.

Key mitigation actions

To this end, Snam is already taking a number of mitigation actions that result in supporting the development of green and decarbonised gas. In particular, the growth in biomethane volumes (through new production plants and the development of infrastructure to connect such plants to the Snam network) can contribute to the sustainability of the gas system as a renewable, programmable and locally produced source.

Technological innovation and Artificial Intelligence (AI)

Description

The evolving geopolitical context and the increasing awareness of more complex scenarios make it necessary to identify more effective solutions to invest consciously in innovation and in the enhancement of technological assets, with the aim of ensuring the development of new solutions to support and create opportunities for the evolution of the Company's

businesses in the near future. Technological innovation, and in parallel the development of artificial intelligence, directly impacts Snam's businesses and, if not properly managed and leveraged, could, in the long term, have adverse effects on both regulated activities and those related to energy integration.

Impact

A shift towards a more electrification-driven energy system could lead to a faster-than-expected reduction in natural gas demand compared with reference scenarios, with potential implications also for carbon capture, transport and storage technologies and for the development of green gases. This risk may be so significant that it could lead to a revision of the company's growth strategy and business model. Furthermore, ineffective development and/or failure to adopt innovative and technological solutions may impact the quality of the service provided, with repercussions on the effectiveness of asset and infrastructure management.

Key mitigation actions

To mitigate this risk, Snam adopts a series of proactive and continuous monitoring actions aimed at detecting in a timely manner the evolution of the energy market and the main technological trends across the entire value chain. Specifically, an integrated process for the development and management of transparent innovation has been launched, involving different stakeholders and aligned with Snam's strategic and industrial objectives. The aim is to identify, in a timely manner, technological pathways that are relevant for the Company in supporting the energy system, reducing the risk that its development does not adequately consider the fundamental role of molecules in ensuring energy integration. In addition, Snam has launched the Snam Tomorrow Energy Company (SnamTEC) programme, the main tool for the adoption of proven innovative technologies and for the testing of the most promising industrial technologies (T-Lab). These are complemented by the Snaminnova and HyAccelerator programmes, coordinated by the Open Innovation Scientific Committee, made up of industry experts, which play a crucial role in scouting and evaluating emerging innovative technologies and ideas. However, despite the aforementioned mitigating actions, a residual risk remains in connection with exogenous factors mainly associated with the external counterparties that Snam interacts with (research institutions, universities, start-ups) that, if proved inadequate, can make these risk mitigating actions ineffective.

TERNA GROUP

The Risk Management System has the ultimate purpose of supporting decision-making processes and raising awareness in the organisation about the level of risk assumed and its compatibility with company objectives, as well as disseminating and strengthening the culture of risk at all levels of the organisation.

To ensure coordinated risk management across the various areas overseen by Management, the Terna group's Risk Governance Model, has long provided for the adoption of a common reference framework indicating the group's objectives and aligned with Terna's Business Model. This framework identifies the key factors for sustainable success in the creation and preservation of corporate value.

The framework of corporate objectives, divided into Strategic objectives (linked to the Industrial Plan) and Recurring objectives (i.e. ongoing objectives related to concession activities, the statutory mission and the codes of conduct adopted), is used annually as the primary reference by Terna Management for the identification of risk events, including emerging risks.

Starting from the Objectives framework, each identified risk event is assessed through the combination of i) the Risk Impact (falling into four categories: Economic & Financial, Reputational, Operational and Health, Safety, Environment (HSE) & Sustainability), and ii) the Probability of occurrence based on the existing Plan horizon and on the Maturity Level of the Risk Management systems. In relation to these elements, the priority and specific ways to deal with risks are selected, through the identification of mitigating or corrective actions.

A company's risk profile is not static, it's dynamic. In fact, it can change as the external reference context changes and/or as a consequence of internal organisational and business decisions. The monitoring activity is therefore carried out to assess the evolution of the group's risk profile, the exposure to key risks, the trend of the defined risk indicators (KRIs), along with the progress of the defined mitigation actions.

The steps of the Risk Management process, as described before, are carried out on a regular basis (at least annually).

In particular, starting from October 2025, the update of the Enterprise Risk Assessment was initiated. In line with previous years, this process was carried out by Terna using a top-down approach and involved selected second-line functions and Top Management.

The priority risks are subject to a structured management process supported by defined control measures. For each Top Risk, Terna has specific mitigation actions (action plans) have been identified, together with a set of Key Risk Indicators (KRIs) aimed at enabling quarterly monitoring.

The risks identified through the 2025 Risk Assessment update are also linked to the topics covered by the European Sustainability Reporting Standards (ESRS), in accordance with EU Directive No. 2022/2464 (Corporate Sustainability

Reporting Directive – CSRD) and the related Italian transposition decree (Legislative Decree No. 125 of 6 September 2024).

Each identified risk, in addition to being assessed, is also classified according to its type. Within its ERM framework, Terna has identified six categories of risk, as outlined below.

Contextual / Market Risks

Terna operates in a regulatory context characterised by government concessions and the provisions of the Energy Networks and Environment Regulator (ARERA).

Given the specificity of its business and operating environment, Terna is exposed to risks arising from the regulatory and legislative framework, which may impact the revenues generated from its concession activities, especially during multi-year tariff revisions. These risk factors include: the fluctuation of commodity prices, which in recent years have been influenced by international geopolitical tensions (the wars in Ukraine and the Middle East), and the movement of interest rates, both short-term and long-term, represent significant factors that could affect operating costs, investments and debt management. These factors, along with regulatory challenges, require a targeted and flexible strategic approach to ensure long-term resilience and sustainability.

Operational Risks

The sustainable investments in the national transmission network, key to facilitating the energy transition and ensuring the system's efficiency and security, are central to the group's core business, and include direct interaction with local territories, as well as dialogue with major stakeholders, communities, and institutions.

Terna is therefore exposed to operational risks related to the execution of projects outlined in the Development Plan, which depend on both the intrinsic engineering and technological characteristics of the construction projects, often very complex and innovative (such as large HVDC projects and the innovative Hypergrid), and external issues that are not easily controllable (such as obtaining environmental and/or administrative permits or opposition from local communities), which can impact timelines and the integrity of the investment plan.

The management of Terna's project construction sites also requires great attention to the safety of Terna's employees and the contractors/subcontractors working on-site, in order to avoid risks related to the health and safety of workers.

Further aspects that expose the group to operational risks include the management of the national transmission network (known as Dispatching), aimed at ensuring the continuity, quality, safety, adequacy, and cost-effectiveness of the electricity system. Exceptional events, malfunctions, and failures, along with the increasing complexity of managing the system itself, which is becoming more interconnected and integrated with renewable sources, result in greater variability and uncertainty in managing the balance of the electricity system and could challenge the system's ability to maintain quality and safety standards.

In a context where business activities heavily rely on ICT technologies and digital tools, the careful management of systems and technological infrastructures protects the group from malfunctions, failures, or system outages, which could compromise continuity and cause operational inefficiencies.

Legal / Contractual Risks

Legal risks for Terna refer to the potential negative consequences of failing to meet contractual obligations related to the activities the group carries out. These risks can materialise through sanctions, legal disputes, such as issues arising from non-compliance with the provisions set out in contractual clauses.

These risks, if realised, could lead to financial, economic, and reputational damage to the group.

Compliance Risks

This category of risk refers to the possibility of Terna violating, either partially or fully, laws and regulations, resulting in criminal, civil, tax, and/or administrative penalties, as well as financial, economic, and reputational damage.

To effectively manage this type of risk, Terna has strengthened its governance safeguards by defining an efficient Compliance Management System, which complements the existing corporate management systems and other compliance control tools (including centralised management models such as the Organisational Model D.Lgs. 231/2001, Trade Compliance, Model L.262/2005, Tax Control Framework, etc.), thus providing an additional guarantee for managing compliance aspects in complex realities like the group.

To this end, since 2022, Terna S.p.A. has implemented a Compliance Management System and adopted a dedicated Compliance Policy, obtaining, on 4 February 2023 and as the first company in Italy, certification of its Compliance Management System in accordance with UNI ISO 37301:2021, covering all relevant compliance obligations. Issued by the IMQ Certification Body, this certification was also awarded on the same date to the main subsidiaries of the Terna group (Terna Rete Italia S.p.A., Terna Plus S.r.l., and Terna Energy Solutions S.r.l.).

Counterparty risk

The group operates in a complex environment, characterised by simultaneous energy transition processes underway in Europe, which are putting a strain on the production capacity of the main suppliers with whom Terna interacts. Among the main challenges that could arise, there is a significant increase in investments related to the energy transition of TSOs in Europe, which adds further strain to the production capacity of suppliers and necessitates industrial choices based on market demand. This could lead to a greater attractiveness of other regions compared to Italy or choices to relocate the production of key suppliers for Terna, which are already limited in number. Additionally, there may be difficulty for some suppliers in meeting the growing demand of the group, in a context where the availability of specialised resources is limited and the production capacity of certain sectors is already saturated, as well as the potential failure of critical suppliers due to adverse economic conditions.

The likely result may be delays and increased costs in the execution of the projects scheduled.

As a result, this intricate set of factors demands proactive risk management, including careful planning, diversification of suppliers (where feasible), and ongoing market monitoring.

Natural and Malicious Events

The increasing frequency of extreme weather events (tornadoes, heavy snowfall, ice formation and floods), driven by climate change, is becoming more frequent and impactful. The growing intensity of these events is directly proportional to the potential damage they may cause to electricity infrastructure, with consequent risks for the continuity and quality of the services provided by Terna.

The Resilience Plan serves as a response to these events, focusing on reinforcing the network, with substantial investments allocated.

However, Terna is not only exposed to natural threats but also to malicious events such as cyberattacks (which are also influenced by geopolitical instability, including the conflicts in Ukraine and the Middle East), which may cause loss of visibility and control over facilities, temporary outages of critical systems, data loss, additional costs for restoration, and, importantly, damage to its reputation.

Terna places significant emphasis on these events and is extremely sensitive to them, and thus takes extensive precautions by implementing technological, procedural, and organisational safeguards to maximise risk mitigation.

ITALGAS GROUP

The main risks subject to analysis and monitoring by the Italgas group are detailed below.

Operational, strategic and business risks

Italgas has adopted an Internal Control and Risk Management System integrated into its organisational, administrative and accounting structure and, more generally, into its corporate governance, which ensures compliance with laws and corporate procedures, the protection of corporate assets and which contributes to the management of activities by ensuring the soundness of the accounting and financial data processed.

The main risks mapped in the Enterprise Risk Management (ERM) process and monitored by the company and the mitigation actions taken are outlined below.

It should be noted that despite the mitigation actions introduced to monitor and prevent the occurrence of significant risks, the Company does not exclude that the occurrence of specific events may lead to the recognition of liabilities in the financial statements.

Climate Change

- Physical Risk: increase in frequency of natural events of extreme intensity;
- Emerging Risk²⁷: Physical Risk – increase in average temperatures;
- Emerging Risk: Transition Risk – developments in the legislative and regulatory framework relating to greenhouse gases;
- Emerging Risk: Transition Risk: technological developments that may adversely affect the number of active delivery points served.

The mitigating actions are summarised below:

- Service continuity: malfunctions, accidental incidents or extraordinary events;
- Objectives for the reduction of net greenhouse gas emissions (Net Carbon Zero by 2050) and of net energy consumption;
- Use of the Picarro Surveyor technology;

²⁷ Risk whose potential effects for the company and/or the industry refer to a medium- to long-term time horizon.

- Process for transforming the network into digital infrastructure to enable the distribution of gases other than methane, such as hydrogen, biomethane and e-gas;
- Commitment to the UN Global Compact and UNEP's OGMP 2.0;
- Execution of energy efficiency projects and investments in the water and energy optimisation sectors;
- Actions to promote the development and dissemination of biomethane and power-to-gas technology.

Risks related to the development and award of tenders for gas distribution services

- Risk of concessions not awarded in planned areas, or the award of concessions on less favourable terms;
- Risk of judicial and/or arbitration proceedings, due to the complexity of regulations governing the expiry of concessions held by Italgas;
- Risk that the reimbursement value of the concessions, which might be awarded to a third party at the end of the assignment process, is lower than the value of the RAB.

Main risk management methods:

- In the event of failure to award previously managed concessions, the existing regulations provide that, for owned networks, the outgoing operator is entitled to be paid the reimbursement value;
- Monitoring regulatory developments and assessing potential impact on the tendering process;
- Planning the tender calendar and bidding strategy integrated in the group's Strategic Plan;
- Critical analysis of the quality of the tender offer and implementation of improvement actions, also with the help of external experts, bodies and universities.

A harsher geopolitical context

Risk of negative developments in the geopolitical context and/or the occurrence of atypical events with potential tensions in the financial markets, impacts on business continuity and/or on the health and safety of personnel and/or on the supply chain.

Main risk management methods:

- Group Security Operation Center (G-SOC) and central platform for correlating information from security systems;
- Travel security and operational intelligence platform;
- Cloud-based Integrated Security Command Center and Physical Security Information Management;
- With reference to the Russia-Ukraine and Israel-Palestine, and to the geopolitical and military tensions in the Persian Gulf conflicts, it is confirmed that the group has no production activities, personnel or first- or second-tier suppliers in the affected areas, and that no significant critical issues have been identified, also in light of Ukraine's decision not to renew the agreement for the transit of Russian gas.

Smart meter malfunctions

Risk of increased levels of malfunctioning of remote meters, with the loss of/no meter readings and/or the need for replacement or reconditioning.

Main risk management methods:

- Adoption of Nimbus, the next-generation smart meter;
- Ensuring sufficient reserves in place to cover operational issues;
- Issuance of appropriate warranties by suppliers;
- ARERA/DINE 01/2023 ruling that stipulates the recognition of the residual tariff value for G4/G6 smart meters manufactured by 2016 and installed by 2018;
- Audits of suppliers and testing of materials supplied.

Service continuity: malfunctions, accidental or extraordinary events

Risks of malfunctioning and/or unforeseeable distribution service disruptions caused by accidental events, such as accidents, breakdowns or malfunctioning of equipment or control systems, the under-performance of plants and non-recurring events such as explosions, fires, earthquakes, landslides or other similar events beyond Italgas's control.

Main risk management methods:

- Insurance Policies for Third-Party Liability and Asset Protection;
- Communication campaigns, training sessions, and awareness-raising meetings;
- Plant and Networks Operational and Control Centre (CIR);
- DANA (Digital Advanced Network Automation), the network operational and control system;
- Smart Maintenance: GIS model for intelligent maintenance of Italgas networks;
- Planned leak detection.

Cyber attacks

Cyber-attack risks to the IT (Information Technology), OT (Operational Technology) and IoT (Internet of Things) sectors.

Main risk management methods:

- Cybersecurity insurance coverage;
- ISO 27001 Bludigit Certification;
- Security measures to protect endpoints, access points, and information;
- Specific training on *cyber* risks;
- *Phishing* simulations for group employees;
- Secure Product Development Lifecycle process, vulnerability assessment, and regular IT and OT penetration testing;
- Real-time monitoring of IT and OT systems using Security Information and Event Management (SIEM);
- Industry-leading suppliers with the highest levels of security defined and monitored;
- "Cybersecurity Awareness for third parties";
- Cyber Threat Intelligence.

Risks to the health and safety of people and to the environment

- Risk of accidents and injuries to employees and personnel of partner companies;
- Risk that Italgas may be exposed to costs or liabilities, possibly of a material amount, resulting from potential environmental damage;
- Risks associated with the spread of pandemic events or new diseases.

Main risk management methods:

- Insurance policies under the "personal insurance" class;
- HSE system certified in accordance with international standards;
- Monitoring of HSE regulations;
- Digital applications for reporting and recording "near misses" and for waste management;
- Communication campaigns, awareness meetings and HSE training sessions, also involving suppliers/contractors, on HSE topics and for the standardisation of operating practices;
- Internal procedures providing for specific measures against suppliers/contractors in the event of non-compliance in the HSE area;
- Contractor checks during the qualification phase and throughout the activities;
- Initiatives for promoting health and well-being;
- Targeted measures for remediation activities, including risk provisions and inspections of remediation sites performed both internally and by third parties.

Risks related to Human Resources

Risks related to the development of human resources, including risks of key staff leaving the company, lack of technical and specialist know-how, increase in the age of the company's workforce, fall in the level of satisfaction and/or increase in labour disputes.

Main risk management methods:

- Recognition as a certified Top Employer;
- Italgas Academy, training paths in partnership with universities, multimedia platform with group training initiatives;
- Knowledge transfer system;
- I-Grow Program and Smart Rotation System;
- Succession plan for top management roles;
- Gender equality certification UNI/PdR 125:2022;
- Workplace satisfaction survey for all group employees;
- Welfare system.

Risks related to quality and service level

Risks to fail to comply with commercial service levels for the provision of services to sales companies or risk of delayed or partial compliance with commitments.

Main risk management methods:

- Ongoing monitoring of Key Performance Indicators;
- Application for the digitalised oversight of the investment process – Survey of sales companies;
- The mapping of existing concession commitments, monitoring and activation for timely intervention;
- Ongoing engagement with bodies granting concessions.

Supply chain risks

Risks associated with the availability and cost of materials, services and supplies, with operational capacity and scalability, and with the reliability, from a reputational and compliance standpoint (including respect for human rights) of the group's suppliers and contractors.

Main risk management methods:

- Procurement planning, analysis, and monitoring of KPIs for the function;
- Economic, financial, reputational and ESG checks for supplier qualification, as well as on-site technical and ESG audits for Critical/Strategic suppliers;
- "Supplier Code of Ethics";
- Standardised processes and tender regulations;
- Awarding of ESG criteria in the tender process, ESG audits, and Action Plan implementation;
- Anti-mafia checks in tender procedures for special sectors;
- Evaluation of supplier performance, including sustainability;
- Procurement diversification and scouting of innovative goods, produced with alternative materials.

Unpredictable developments in artificial intelligence solutions available on the market

Emerging risk whose potential impacts on the Company and/or the sector relate to a medium- to long-term horizon, associated with the evolution of AI models (Machine Learning and Generative Artificial Intelligence) commercially available, whose release timelines and functionalities may be uncertain, as well as with their adoption and use by the group.

Main risk management methods:

- Presence of a dedicated function (group Artificial Intelligence Office), to steer the transformation, coordinate the stakeholders involved in deployment, oversee implementation and manage the digital transformation of the group's activities. Model training performed during development and periodically updated; testing during the development phase; monitoring of model performance in terms of accuracy and reliability.

Risk associated with changes in regulation and legislation

- Risk associated with changes in the regulatory and institutional context at European or national level;
- Risk of sanctions related to the updating of the rate of return on net invested capital approved by the Regulator.

Main risk management methods:

- Active participation in consultations organised by the Regulator;
- Active participation in consultations organised by the Government or by European Union bodies on matters of relevance;
- Orientation activities to define sector association positions.

Risk of non-compliance and regulatory developments

Risk of failure to comply, in full or in part, with rules and regulations at European, national, regional and local level with which Italgas must comply in relation to the activities it performs and/or risk of failure to detect and implement new rules that are applicable to the Company.

Main risk management methods:

- An internal control and management system for risks and areas of responsibility defined in relation to Compliance;
- Code of Ethics, 231 Model, Policy for preventing and combating corruption, ISO 37001 anti-corruption certification;
- Certification of the ISO 37301 compliance system;
- Staff training on compliance issues;
- Analysis and monitoring of the reputational requirements of the group's counterparts;
- "Supplier Code of Ethics".

Supply chain challenges in complying with future ESG regulatory standards

Emerging risk whose potential impact on the Company and/or the sector relates to a medium-term horizon, linked to a potential deterioration in ESG performance across the supply chain, resulting from possible difficulties for the group's suppliers in adapting to and complying with forthcoming ESG regulatory requirements. Considering the importance of Small and Medium-sized Enterprises within the supply chain, the risk may result in difficulties in sourcing suppliers that meet ESG standards consistent with future regulatory developments (e.g. CS3D, CBAM and other regulatory changes not yet defined).

Main risk management methods:

- ESG reporting is a mandatory requirement within the group's supplier qualification process;
- Evaluation and development plans for strategic suppliers;
- Periodic monitoring of suppliers with an ESG focus; training and awareness initiatives for suppliers on ESG topics.

4. BALANCE SHEET AND INCOME STATEMENT FIGURES

An analysis of the accounting situation as at 31 December 2025 is provided below, based on the statements reclassified according to operational criteria to provide a clearer understanding of the results.

For the purposes of preparing the reclassified financial statements for the year 2025, the international financial reporting standards (IFRS) endorsed by the European Commission and in force at 31 December 2025 were applied.

4.1 RECLASSIFIED CONSOLIDATED BALANCE SHEET

4.1.1 CONSOLIDATED BALANCE SHEET - ASSETS

The reclassified consolidated balance sheet assets of the CDP RETI Group as at 31 December 2025 are made up of the following aggregated items:

Assets

(million of euro)

<i>Items</i>	31/12/2025	31/12/2024
Property, plants and equipment	48,282	44,121
Intangible assets	19,386	12,807
Trade receivables	7,142	7,160
Other assets (1)	12,272	11,587
Cash and cash equivalents	4,104	4,628
TOTAL ASSETS (*)	91,186	80,303

(1) The figures of the consolidated financial statements that are not represented in the reclassified Assets are included in Other assets.

(*) The item includes discontinued operations and assets held for sale attributable to Terna group (13.8 million euro as at 31 December 2025 and 15.4 million euro as at 31 December 2024) and Italgas group (281.4 million euro as at 31 December 2025 and 5.4 million euro as at 31 December 2024).

As at 31 December 2025, total assets amounted to 91.2 billion euro, representing an increase of 13.6% compared with 31 December 2024, and were mainly composed of property, plant and equipment (53% of total assets), largely attributable to the Snam group (22.6 billion euro) and Terna (21.7 billion euro), as well as to the impacts on the relevant line item arising from consolidation (3.5 billion euro)²⁸.

The increase (+4.2 billion euro; +9.4%) in "property, plant, and equipment" compared to 31 December 2024 is largely attributable to increases in Snam (+1.8 billion euro) and Terna (+2.4 billion euro), which were only partially offset by the effects of the PPA.

Specifically, this increase, apart from the impact of consolidating the subsidiaries, is primarily attributed to the investments in:

- Snam group: (2.6 billion euro) mainly attributable to the transportation, storage and regasification segments and relating to: (i) in the transportation segment, in addition to investments aimed at maintaining safety and quality standards of the infrastructure, connection works, including the connection of the Ravenna regasification terminal to the gas transportation network and the commencement of works on the Adriatic Line; (ii) in the regasification segment, works to upgrade the Ravenna FSRU and the related terminal; (iii) in the storage segment, maintenance activities relating to the Minerbio treatment plant and the associated clusters.
- Terna group: (3.1 billion euro), of which 3,033.6 million euro were incurred within the Regulated segment; in the Non-regulated segment, investments amounting to 68.1 million euro were recorded, mainly relating to variations requested by third parties;
- Italgas group: (0.1 billion euro), primarily relating to industrial and commercial equipment (5.9 million euro), assets under construction and advance payments (28.1 million euro) and leased assets (93.6 million euro),

net of related amortisation/depreciation and impairment for the period.

²⁸ Effects related to the Purchase Price Allocation (PPA) process of Snam, Terna and Italgas.

The item “intangible assets”, largely attributable to Italgas service concession arrangements, analysed in greater detail in the explanatory notes, increased by 6.6 billion euro (+51%), mainly as a result of the inclusion, during the 2025 financial year, of the companies of the 2i Rete Gas group within the scope of consolidation. For further details, see paragraph “IV. Business combinations involving companies or business units” in this document.

This item also includes goodwill (1.6 billion euro), representing: (i) the portion (781 million euro) recognised following the purchase price allocation process relating to the differences between the acquisition cost of equity investments and the corresponding share of net assets, and (ii) goodwill recognised in the consolidated financial statements of Terna, Snam and Italgas.

“Trade receivables”, down by about -18 million euro compared with the end of 2024, are mostly attributable to the following groups:

- Snam (2.5 billion euro), mostly attributed to the following sectors: (i) transport (1,927 million euro), relating primarily to receivables from users for additional components and default service, amounting to 1,270 million euro, and receivables from gas system balancing, totalling 98 million euro; (ii) Market Solutions (283 million euro), primarily from receivables related to energy efficiency projects (176 million euro); and (iii) natural gas storage (214 million euro).
- Terna (3.1 billion euro), of which: (i) 2,207.8 million euro relating to receivables from energy items, relating mainly to for so-called “pass-through items”²⁹ associated with the procurement by Terna of the resources necessary to ensure dispatching, security and adequacy of the national electricity system (1,572.5 million euro), and receivables from dispatching users for margin payments (530.7 million euro). This amount also includes receivables (104.6 million euro) from the Energy and Environmental Services Fund (CSEA) relating to service quality (37.3 million euro) and tariff decoupling adjustments (67.3 million euro); (ii) 632.1 million euro relating to remuneration recognised for the use of the National Transmission Grid owned by the group by electricity distribution companies; (iii) 235.7 million euro relating to receivables from customers in the Non-regulated business for specialised services provided to third parties, mainly in the areas of plant engineering services, operation and maintenance of High and Extra-High Voltage systems, as well as telecommunications housing and equipment, fibre optic network maintenance services and contracts relating to the Tamini group, Brugg Cables group and Altenia group.

Other assets, increasing by 6% compared with 31 December 2024, mainly relate to: (i) equity investments (approximately 3 billion euro at the end of 2025), accounted for using the equity method, mainly referring to investments of the Snam group; (ii) deferred tax assets amounting to 1.5 billion euro; (iii) non-current financial assets (0.9 billion euro), mainly attributable to the Terna group and Italgas group; (iv) capitalised inventories – mandatory reserves³⁰ (397 million euro) of the Snam group; and (v) current financial assets (1.2 billion euro), mainly attributable to the Terna group (743 million euro) and the Snam group (402 million euro).

Lastly, “cash and cash equivalents” decreased compared to 31 December 2024 (-11.3%) and refer to:

- Terna group (1.8 billion euro): consisting of cash invested in short-term and readily convertible financial instruments (1,544.4 million euro) and balances held in bank accounts and cash (288.3 million euro);
- Snam group (1.6 billion euro): mainly relating to euro-denominated bank accounts and deposits held by the parent company Snam S.p.A. (1,417 million euro), representing the use of available liquidity to meet the financial requirements of the group, as well as cash balances generated by subsidiaries (amounting in total to 225 million euro);
- Italgas group (0.5 billion euro): relating to current account deposits held with banks;
- CDP RETI (96 million euro): relating to an irregular deposit held with the parent company CDP and to bank current accounts.

For further details see the net financial debt sections contained in the paragraph “Sector performance”.

²⁹ The item includes pass-through revenues and costs with a net economic effect equal to zero, related to the dispatching and system security activities carried out by Terna.

³⁰ These mandatory reserves represent the minimum quantities of natural gas that storage companies are required to hold pursuant to Presidential Decree No. 22 of 31 January 2001.

4.1.2 CONSOLIDATED BALANCE SHEET - LIABILITIES

As at 31 December 2025, the liabilities section of the reclassified consolidated balance sheet of the CDP RETI Group included the following aggregates:

Net Equity and Liabilities

(million of euro)

<i>tems</i>	31/12/2025	31/12/2024
Long-term financial liabilities	45,980	37,075
- non-current (1)	40,462	34,108
- current (2) (**)	5,518	2,967
Current financial liabilities (**)	2,211	4,041
Trade payables	5,304	4,761
Other liabilities (3)	14,709	13,088
Equity	22,982	21,338
- attributable to the Parent Company CDP RETI	5,596	5,142
- attributable to minority interests	17,386	16,196
TOTAL LIABILITIES (*)	91,186	80,303

(1) In consolidated financial statements: Loans

(2) In consolidated financial statements: Current portion of long-term loans

(3) The figures of the consolidated financial statements that are not represented in the reclassified Equity and Liabilities are included in Other liabilities

(*) The item includes discontinued operations liabilities held for sale attributable to Terna group (0.2 million euro as at 31 December 2025 and 0.2 million euro as at 31 December 2024) and to Italgas group (46.3 million euro as at 31 December 2025).

(**) In order to provide a better comparative presentation, the balance of the item as at 31 December 2024 was restated.

“Long-term loans” of the Group (46 billion euro as at 31 December 2025) increased by 8.9 billion euro compared with 31 December 2024 (+24%) and are attributable to 18.2 billion euro to the Snam (39%), 14.8 billion euro to the Terna (32%), 11.3 billion euro to the Italgas (25%) and 1.7 billion euro to CDP RETI (4%).

“Current financial liabilities” of the Group (2.2 billion euro as at 31 December 2025) decreased compared with 31 December 2024 (-1.8 billion euro; -45.3%) and mainly relate to: (i) Snam group (1.4 billion euro), primarily associated with the issuance of Euro Commercial Paper (ECP) placed with institutional investors (822 million euro) and the utilisation of uncommitted floating-rate bank credit lines (550 million euro); and (ii) Terna group (0.8 billion euro).

For more details on the net financial debt of the subsidiaries, see the specific section “Sector performance”.

“Trade payables”, increasing by 0.5 billion euro (from 4.8 billion euro as at 31 December 2024 to 5.3 billion euro; +11.4%), mainly relate to: (i) Terna group (3.9 billion euro compared with 3.4 billion euro at year-end 2024), largely referring to energy-related payables; and (ii) Snam group (0.9 billion euro compared with 1 billion euro at year-end 2024), mainly relating to the transportation segment (503 million euro, of which 153 million euro deriving from balancing activities) and the Market Solutions segment (196 million euro).

“Other liabilities”, increasing by 1.6 billion euro (from 13.1 billion euro at year-end 2024 to 14.7 billion euro; +12.4%), mainly relate to: (i) deferred tax liabilities (2.1 billion euro compared with 1.9 billion euro at year-end 2024) recognised as at 31 December 2025; (ii) other current liabilities (7.2 billion euro, broadly in line with 2024), mainly attributable to the Snam group (4.9 billion euro); and (iii) provisions for risks and charges (1.3 billion euro compared with 1.1 billion euro in 2024), including 788 million euro (697 million euro at year-end 2024) relating to provisions for the dismantling and restoration of sites recognised by Snam in respect of expected costs associated with the removal of infrastructure and site restoration, mainly relating to the storage segment (697 million euro) and the natural gas transportation segment³¹ (57 million euro).

“Equity”, up by approximately 1.6 billion euro (+7.7%), benefits: (i) from the net income for the period of 2.7 billion euro (of which 742 million euro attributable to the Parent Company) and mainly takes into account (ii) the amount of the dividends approved during the period by Snam, Terna and Italgas to the minority shareholders (total of approximately 1.5 billion euro) and by the Parent Company CDP RETI to its shareholders (571 million euro); and (iii) the remaining impact is due to the capital increase approved on 22 May 2025.

Out of the total equity, 5.6 billion euro is attributable to the Parent Company (+454 million euro compared with December 2024) and 17.4 billion euro is attributable to non-controlling interests (+1.2 billion euro compared with December 2024).

³¹ The costs refer to the estimated expenses for the removal of the connection works to the LNG regasification terminal in Livorno – OLT Offshore LNG Toscana.

4.1.3 RECONCILIATION OF CONSOLIDATED EQUITY AND NET INCOME FOR THE PERIOD

The reconciliation between the Equity, the parent company's result, and the consolidated results is illustrated below:

Items	31/12/2025		
	Net income	Capital and reserves	Total
(million of euro)			
PARENT COMPANY FINANCIAL STATEMENTS	557	3,245	3,802
Balance from financial statements of fully consolidated companies	3,072	18,180	21,252
Consolidation adjustments:			
- <i>Carrying amount of fully consolidated equity investments</i>		(5,532)	(5,532)
- <i>Dividends from fully consolidated companies</i>	(634)	634	
- <i>Purchase price allocation</i>	(173)	4,128	3,955
- <i>Other adjustments</i>	(160)	(335)	(495)
CONSOLIDATED FINANCIAL STATEMENTS	2,662	20,320	22,982
- <i>attributable to the parent company CDP RETI</i>	742	4,854	5,596
- <i>attributable to minority interests</i>	1,920	15,466	17,386

4.2 RECLASSIFIED CONSOLIDATED INCOME STATEMENT

The data below represents the CDP RETI Group with specific evidence of the contributions – in terms of operating margins³² – deriving from Snam, Terna and Italgas. Please note that the consolidation eliminations and adjustments were shown separately.

(million of euro)		
Items	2025	2024
Revenues from financial statement	11,503	9,783
- Revenues recognised following application of "IFRIC 12 Service Concession Arrangements" (*)	1,117	859
- Other Reclassifications (**)	(66)	(61)
Total revenues	10,452	8,985
Costs from financial statement (not included Depreciation and Amortization)	(3,915)	(3,219)
- Costs recognised following application of "IFRIC 12 Service Concession Arrangements" (*)	(1,117)	(859)
- Other Reclassifications (**)	78	63
Operating costs	(2,876)	(2,423)
EBITDA	7,576	6,562
EBITDA margin	72%	73%
- of which SNAM	28%	30%
- of which TERNA	26%	28%
- of which ITALGAS	18%	15%
Depreciation and Amortization	(3,032)	(2,689)
- Other Reclassifications (***)	15	2
Operating profit (EBIT)	4,559	3,875
EBIT margin	44%	43%
- of which SNAM	17%	19%
- of which TERNA	17%	19%
- of which ITALGAS	12%	9%
- of which consolidation	-2%	-3%
Financial income/expense (including effects by equity method)	(795)	(392)
- Other Reclassifications		
Taxes	(1,102)	(973)
Profit from continuing operations	2,662	2,510
Net income from asset available for sale and discontinued operation		12
- Other Reclassifications		
NET INCOME	2,662	2,522
- for parent company	742	732
- for minority interests	1,920	1,790

(*) In Reclassified Income Statement, pursuant to IFRIC 12 "Service Concession Arrangements" are not included:

(i) in relation to Italgas group, revenues for the construction and upgrading of natural gas distribution infrastructures (995.6 and 746.5 million euro respectively in 2025 and 2024);

(ii) in relation to Terna group, revenues from construction of assets in concession activities (121.0 and 112.9 million euro respectively in 2025 and 2024); these revenues are recognised in an amount equal to the costs incurred and are shown as direct reduction of the respective cost items.

(**) Other management reclassifications mainly attributable to Terna group.

(***) This relates primarily to Italgas, specifically to connection fees (35.0 million euro and 19.0 million euro for 2025 and 2024, respectively) and to the use of the provision for defective gas smart meters (19.3 million euro and 12.6 million euro for 2025 and 2024, respectively).

In 2025, in line with the previous year, the CDP RETI Group reported net income of 2,662 million euro (of which 742 million euro pertaining to the Parent Company), marking an increase compared to 2024 (net income of 2,522 million euro). The increase (+140 million euro, with 10 million euro corresponding to the Parent Company's share) is primarily driven by the improvement in operating margins (EBITDA +1,014 million euro; EBIT +684 million euro), partially offset by higher financial expenses and income³³ (-403 million euro) and higher taxes due (rising from 973 million euro to 1,102 million euro).

³² The Parent Company CDP RETI, given its nature as a holding company, has almost no impact on the Group's operating margins.

³³ Including the effects of equity investments accounted for using the equity method.

In terms of business sectors, a stronger performance was recorded across all subsidiaries, particularly Italgas (+198 million euro; +39.1%), mainly driven by the integration of the 2i Rete Gas group and the increase in regulated revenues from distribution activities, and to a lesser extent Terna (+51 million euro; +4.8%) and Snam (+10 million euro; +0.8%). Conversely, the variance in the 2025 result compared with the comparative period was negatively affected by: (i) the trend in financial income and expenses of the parent company CDP RETI (-71 million euro in 2025 compared with -36 million euro in 2024), for which reference is made to the Report on Operations of the separate financial statements; and (ii) additional consolidation effects, including the reversal of the equity-accounted valuation of Italgas recognised by Snam in its financial statements (-131 million euro in 2025 compared with -65 million euro in 2024), as well as changes in the fair value of derivatives³⁴ classified as held for trading by the CDP RETI Group.

In more detail, the period result is influenced by the performance of:

- Italgas (+198 million euro), which benefited from the improvement in EBIT (+429 million euro), driven by: (i) an increase in regulated revenues from the gas distribution segment (+746.7 million euro) as a result of the new consolidation scope following the acquisition of the 2i Rete Gas group, despite the significant reduction in the WACC (-51.6 million euro), partially offset by the growth in the RAB and by the full-year impact in 2025 of higher operating costs recognised for tariff purposes (ARERA Resolution No. 87/2025/R/gas); and (ii) an increase in other revenues (+48.4 million euro) mainly deriving from the energy efficiency segment. These revenues were only partially offset by an increase in operating costs and depreciation and amortisation mainly attributable to the new consolidation scope. The increase in EBIT was only partially absorbed by: (i) the increase in net financial income and expenses (-116 million euro), mainly due to costs relating to the so-called “Bridge” credit facility for the acquisition of the 2i Rete Gas group, the impact of the dual-tranche bond issuance carried out in March 2025, the costs arising from the consolidation of the debt of the 2i Rete Gas group, and charges resulting from the fair value measurement of bonds issued by the 2i Rete Gas group following the purchase price allocation; and (ii) the increase in income taxes (+115 million euro);
- Terna (+51 million euro), reflecting mainly the improved performance of the Regulated Activities, primarily attributable to an increase in tariff revenues (+406,9 million euro) despite a reduction in output-based incentives (-237,2 million euro). This improvement is only partially offset by higher financial expenses (due to new financing arrangements entered into during 2025 and to the reduction in financial income recognised during the year) and by higher taxes;
- Snam (+ 10 million euro), which benefits mainly from positive operating results (EBIT rising from 1,676 million euro to 1,813 million euro), largely due to higher regulated revenues linked to (i) growth in the Regulated Asset Base (RAB) in the Transmission and Storage sectors following the implementation of the investment plan, (ii) the effects of ARERA Resolution 130/2025/R/com³⁵ and, in particular, the adjustment of 2024 revenues to the new deflator applied to RAB growth and the adoption of the Italian HICP³⁶, from 2025 revenues onwards, for the revaluation of invested capital for regulatory purposes (RAB), (iii) the inclusion of Stogit Adriatica (formerly Edison Stoccaggio) within the scope of consolidation; and (iv) when the Ravenna LNG terminal becomes operational in May 2025. This increase in EBIT and lower taxes (397 million euro in 2025 vs 422 million euro in 2024) are, however, partly offset by higher net financial expenses (- 149 million euro in 2025 vs + 3 million euro in 2024), the rise in which is mainly negatively impacted by (i) the change in the fair value during the period of the non-hedging derivative financial instrument embedded in the bond convertible into Italgas shares (- 319 million euro) and (ii) the impairment of the investment in the associate Industrie De Nora (71 million euro), despite the increase in net income from investments

A more detailed assessment of the performance at the level of individual sectors and a more analytical description of the changes taking place between the two half years are provided in the section of this Report entitled “Sector Performance”.

“Revenues” for the period refer to Terna group at 4 billion euro, the Snam group at 3.9 billion euro and the Italgas group at approximately 2.5 billion euro. The increase in Group revenues of 1.5 billion euro (16.3%) compared with 2024 is attributable to the positive impact of:

- Italgas (+0.8 billion euro), mainly due to the previously mentioned increase in revenues from the gas distribution segment (+746.7 million euro) and from energy efficiency activities (+44.7 million euro);
- Terna (+0.4 billion euro), primarily due to the aforementioned growth in Regulated Activities (+182.4 million euro), attributable mainly to the increase in tariff revenues (+406.9 million euro), partially offset by the decline in output-based incentives (-237.2 million euro);
- Snam (+0.3 billion euro), mainly due to the growth in revenues from the gas infrastructure business (+306 million euro), essentially relating to regulated revenues (+295 million euro), the increase of which is primarily attributable to the growth in the RAB following the implementation of the investment plan (+165 million euro), the effects of the aforementioned ARERA Resolution No. 130/2025/R/com (+82 million euro) and the consolidation of Stogit Adriatica (+55 million euro).

³⁴ These derivatives were held by Snam during 2025 (with a negative impact in 2025, net of tax, of 14 million euro) and by Terna in 2024 (with a negative impact in 2024, net of tax, of 10 million euro).

³⁵ Resolution 130/2025/R/com: “Revision of the criteria for the revaluation of capital costs for infrastructure services in the electricity and gas sectors. Definition of common parameters for services subject to ROSS regulation”, published on 27 March 2025.

³⁶ Amortised consumer price index.

“Costs” for the period, mainly attributable to the Terna group (1.3 billion euro), the Snam group (0.9 billion euro) and the Italgas group (0.6 billion euro), relate primarily to the cost of raw materials and consumables used, service costs and staff costs. In particular, these costs increased compared with 2024 (+0.5 billion euro; +18.7%), mainly in relation to: (i) Italgas (+0.2 billion euro), mainly due to the inclusion of the 2i Rete Gas group within the new consolidation scope, as well as the expansion of activities in the energy efficiency segment; (ii) Terna (0.2 billion euro), primarily attributable to: a) higher service costs supporting the development of activities within the regulated business and in the Energy Services and Equipment segments (+42.1 million euro for the Altenia group, +8 million euro for the Tamini group and +3.8 million euro for the Brugg Cables group); b) higher material costs relating to activities in the Energy Services and Equipment segments (+43.9 million euro for the Altenia group, +7.1 million euro for the Tamini group and +7.7 million euro for the Brugg Cables group).

“Gross operating margin” (EBITDA) amounting to 7.6 billion euro (6.6 billion euro in 2024; +1 billion euro), with an EBITDA margin of 72% (73% in 2024), benefited from the growth recorded by Italgas (+0.6 billion euro), Snam (+0.2 billion euro) and Terna (+0.2 billion euro). Snam contributed 28%, Terna 26% and Italgas the rest.

“Operating profit” (EBIT), amounting to 4.6 billion euro, increased by 0.7 billion euro compared with 3.9 billion euro in 2024. EBIT margin (as a percentage of Total Revenue) as at 31 December 2025 was 44% (43% in 2024).

“Financial income (expenses)”³⁷, negative by 0.8 billion euro (negative by 0.4 billion euro in 2024), are primarily related to:

- Italgas for -226 million euro (-109 million euro compared to 2024). This change is mainly attributable to costs relating to the so-called “Bridge” credit facility for the acquisition of 2i Rete Gas, the impact of the dual-tranche bond issuance completed in March 2025, costs arising from the consolidation of 2i Rete Gas debt, and charges resulting from the fair value measurement of bonds issued by 2i Rete Gas following the Purchase Price Allocation;
- Terna for -182 million euro (-172 million euro in 2024). The variation compared to 2024 is mainly in connection with new financing obtained during 2025 and the decrease in financial income recognised during the period. The increase was partly offset by higher capitalised borrowing costs and by the adjustment of the liability related to the potential acquisition of the minority interest in Altenia S.r.l.;
- Snam for -149 million euro (+3 million euro in 2024). The variation compared to 2024 is due to (i) the negative change in the fair value of the embedded option component of the convertible bond into ordinary shares of Italgas S.p.A. (-319 million euro) and (ii) the impairment of the investment in the associate De Nora (-71 million euro), partially offset by the proceeds from Italgas share capital increase (65 million euro), the capital gain arising from the disposal of the entire shareholding in Galaxy Pipeline Assets HoldCo Limited (123 million euro) and other impacts;
- Net financial income of CDP RETI (negative for 71 million euro; negative for 36 million euro in 2024);
- consolidation effects, including (i) the negative change (-19 million euro before the related tax effect) relating to the fair value measurement of derivatives held by the Snam group to hedge cash flows and classified, in accordance with the accounting principles applied by the CDP RETI Group, as trading derivatives; and (ii) the reversal of the equity method valuation of Italgas recognised by the Snam group in its separate financial statements (-131 million euro).

“Income taxes”, which show an expense of 1.1 billion euro (1 billion euro in 2024), mainly refer to the tax expense of Snam, Terna and Italgas, partially offset by the effects of deferred taxation connected with Purchase Price Allocation and the fair value of the derivatives held by Snam and considered by the CDP RETI Group as hedging derivatives.

The above income components allowed the Group to close the 2025 financial year with a consolidated net profit of 2,662 million euro (of which 742 million euro attributable to CDP RETI; 732 million euro in 2024), up from financial year 2024 (2,522 million euro).

The net income for 2025 pertaining to CDP RETI shareholders (net income of 742 million euro) comes from the net income of the Parent Company CDP RETI S.p.A. (557 million euro) and from the share of the earnings of Snam (net income of 394 million euro), Terna (net income of 332 million euro) and Italgas (net income of 198 million euro), less dividends for the period (634 million euro) attributable to CDP RETI S.p.A. and net of other consolidation effects (including the Purchase Price Allocation).

4.3 SECTOR PERFORMANCE

At the outset, it should be noted that the operating sectors have been identified in accordance with the performance of the analysed equity portfolio, matching the business sectors in which the Group operates, specifically:

- gas infrastructure and market solution³⁸ of the Snam group;
- gas distribution, water services and energy efficiency activities overseen by companies of the Italgas group;

³⁷ Including the effects of equity investments accounted for using the equity method.

³⁸ During the 2025 financial year, Snam defined a new organisational model aimed at strengthening its role as operator of the national gas transmission infrastructure and aligning its organisational structure with the group's strategic objectives. The new model comprises two business segments: (i) Gas Infrastructure, which includes the core regulated businesses of natural gas transmission, regasification and storage, as well as activities relating to hydrogen (H₂) and Carbon Capture and Storage (CCS); and (ii) Market Solutions, which encompasses the biomethane, energy efficiency and sustainable mobility businesses, providing the market with integrated solutions to support energy integration and decarbonisation.

- electricity transmission and dispatching activities overseen by companies of the Terna group.

See section “VIII - OPERATING SEGMENTS” in the Notes to the consolidated financial statements for the reconciliation of the results of the CDP RETI Group’s operating segments with the results of the Group.

Income statement, balance sheet and statement of cash flows figures are provided below using the management schedules adopted by Snam, Terna and Italgas in their financial statements. Reference should be made to the documents of the aforesaid companies for a reconciliation between the reclassified statements used and the mandatory statements.

4.3.1 SNAM (GAS INFRASTRUCTURE AND MARKET SOLUTIONS SEGMENT)

INTRODUCTION

In order to allow better assessment of the group’s performance and greater data comparability, Snam’s management has devised alternative performance measures not required by IFRS (Non-GAAP measures), mainly comprising the results in the adjusted and pro-forma adjusted configuration.

(million of euro)	31/12/2025	31/12/2025	31/12/2024	31/12/2024
Item	Reported	Adjusted (*)	Reported	Adjusted(*)
Total Revenue	3,885	3,885	3,568	3,568
<i>Regulated Revenue</i>	3,496	3,496	3,201	3,201
EBITDA	2,952	2,969	2,705	2,753
EBITDA margin	76%	76%	76%	77%
EBIT	1,813	1,845	1,676	1,734
EBIT margin	47%	47%	47%	49%
Net income	1,267	1,419	1,257	1,287
Net Income of the Group	1,270	1,422	1,259	1,289

(*) The figures exclude special items

(million of euro)	31/12/2025	31/12/2024
Shareholders' Equity attributable to the parent company	9,237	8,929
Shareholders' equity including minority interests	9,278	8,973
Net financial debt	17,509	16,238
Net cash flow for the period	(163)	424
Technical investments	2,865	2,912

TOTAL REVENUES

Total revenues for 2025 amounted to 3,885 million euro, an increase of 317 million euro (+8.9%) compared with 2024, mainly driven by the growth in revenues from the gas infrastructure business (+306 million euro; +0.1%).

Revenues from the gas infrastructure business (3,543 million euro; 3,237 million euro in 2024) relate to regulated revenues (3,496 million euro; 3,201 million euro in 2024) and non-regulated revenues (47 million euro; 36 million euro in 2024).

Regulated revenues increased by 295 million euro (+9.2% compared with 2024), primarily attributable to: (i) the growth of the RAB following the implementation of the investment plan (+165 million euro); (ii) the effects of ARERA Resolution 130/2025/R/com³⁹ and, in particular, the update of 2024 revenues to reflect the new deflator applied to RAB growth and the adoption of the Italian IPCA, from 2025 revenues onwards, for the revaluation of invested capital for regulatory purposes (RAB) (+82 million euro); (iii) the consolidation of Stogit Adriatica within the group’s scope as from 3 March 2025 (+55 million euro); (iv) the start-up of the Ravenna regasification terminal from May 2025 (+46 million euro); (v) higher commodity revenues (+42 million euro), also reflecting increased redelivered volumes; and (vi) higher revenues relating to the “Fast money” component, mainly associated with the revision of the estimated total expenditure (OpEx and CapEx) for 2025 (+35 million euro). These effects were partially offset by: (i) the reduction in WACC (-104 million euro); (ii) the effects related to the recognition, in 2024, of revenues associated with higher volumes regasified in 2023 at the Panigaglia terminal (-41 million euro); and (iii) lower output-based incentives (-10 million euro), mainly relating to the storage business.

Non-regulated revenues amounted to 47 million euro, an increase of 11 million euro (+30.6%) compared with 2024, driven by higher contributions from private parties for connections to the transmission network.

³⁹ Resolution 130/2025/R/com: “Revision of the criteria for the revaluation of capital costs for infrastructure services in the electricity and gas sectors. Definition of common parameters for services subject to ROSS regulation”, published on 27 March 2025.

Revenues from the Market Solutions businesses recorded a slight increase compared with 2024 (11 million euro; +3.3%), supported by improved performance of Waste-related plants and a different composition of the EPC (Engineering, Procurement & Construction) portfolio.

ADJUSTED EBIT

EBIT for 2025 amounted to 1,845 million euro, an increase of 111 million euro (+6.4%) compared with the corresponding figure for 2024, driven by the change in EBITDA, partly offset by higher depreciation, amortisation and impairment losses (-105 million euro, equal to 10.3%), mainly due to the commissioning of new assets, including the Ravenna terminal, and changes in the scope of the storage segment.

ADJUSTED NET INCOME

The group's adjusted net profit for 2025 amounts to 1,422 million euro⁴⁰, an increase of 133 million euro, or 10.3%, compared to the adjusted net profit for 2024. This increase is attributable not only to positive operating performance, but also to the higher contribution from domestic and international associates and to the stability of financial expenses, with an average net cost of debt of approximately 2.6%, in line with the corresponding figure for 2024.

RECONCILIATION OF ADJUSTED NET INCOME WITH THE REPORTED NET INCOME

Adjusted EBITDA, EBIT and net income are calculated by excluding special items from reported EBITDA, EBIT and net income (as presented in the statutory income statement), respectively before and after the related tax effects.

The income statement components classified as special items in 2025, before the related tax effects, mainly relate to:

- i) the costs associated with the change in fair value of the non-hedging derivative financial instrument embedded in the Italgas convertible bond (319 million euro);
- ii) the capital gain from the sale of the indirect stake in ADNOC Gas Pipelines (123 million euro);
- iii) the write-down of the investment in the associate Industrie De Nora (71 million euro);
- iv) income related to the Italgas share capital increase (65 million euro in total), against the dilutive effects on Snam's shareholding (48 million euro) and the change in fair value of unexercised option rights sold by Snam (17 million euro);
- v) charges related to the execution of settlement agreements (17 million euro);
- vi) impairment losses on non-current assets relating to the sustainable mobility business, recognised following impairment testing (15 million euro);
- vii) other net income from equity investments (5 million euro) mainly relating to insurance compensation (11 million euro) for extraordinary maintenance work on the plant of the investee OLT Offshore LNG Toscana (OLT), partly offset by the effects of the adjustment of the expenses of the Austrian investee companies TAG and GCA, related to the return of the higher revenues obtained from the risk premium for the period 2013-2024 (5 million euro in total);
- viii) and the tax effects associated with special items (-78 million euro).

SPECIAL ITEMS

Income components are classified as special items, provided they are significant, when: (i) they originate from events or transactions that are non-recurring, or from actions or incidents that do not occur frequently in the usual course of business; (ii) they result from events or transactions that do not reflect the typical operations of the business. The tax impact associated with the components excluded from the adjusted net income calculation is calculated according to the nature of each excluded income item. To facilitate the analysis and understanding of business performance and the comparison of data for the periods under review, all impairments and reversals resulting from the impairment test, in accordance with the international accounting standard IAS 36, are consistently classified as special items and thus excluded from the group's adjusted results.

EQUITY

The increase in the parent company's equity during the year (+308 million euro) is mainly attributable to the positive result for the year, amounting to 1,270 million euro. This effect was partially offset by the distribution of the balance of the dividend relating to the 2024 result (585 million euro) and the 2025 interim dividend approved by the Board of Directors on 5 November 2025 (405 million euro).

⁴⁰ Excluding third-party interests.

NET FINANCIAL DEBT

As of 31 December 2025, the net financial debt amounts to 17,509 million euro (compared to 16,238 million euro on 31 December 2024).

The positive cash flow from operating activities (2,688 million euro) largely financed the period's net investments (-2,964 million euro excluding changes in investment liabilities, which included the acquisition of Stogit Adriatica and proceeds from the disposal of the interest in Galaxy Pipelines Assets Holdco). The EBITDA-to-FFO conversion ratio stands above 80%.

Net financial debt, after the payment of the 2024 dividend to shareholders (-974 million euro), cash flows related to perpetual subordinated bonds (-45 million euro) and non-cash changes (27 million euro), increased by 1,271 million euro compared with 31 December 2024.

TECHNICAL INVESTMENTS OF THE PERIOD

Technical investments in 2025 amounted to 2,865 million euro, including, in particular, works related to the commissioning of the Ravenna regasification terminal and its connection to the gas transmission network, as well as the start of the construction phase of the Adriatic Line.

Technical investments in the Gas Infrastructures businesses mainly relate to the transport sector (2,188 million euro; 2,237 million euro in 2024), storage (311 million euro; 269 million euro in 2024) and regasification (98 million euro; 223 million euro in 2024), and include the Ravenna CCS project for CO₂ capture and storage.

Investments in the Market Solutions businesses amounted to 195 million euro (125 million euro in 2024; +56,0%).

DIVIDEND PROPOSED

The results achieved and the Company's solid fundamentals support the proposal to the Shareholders' Meeting to distribute a final dividend of 0.1813 euro per share, payable from 24 June 2026 (record date 23 June 2026), with an ex-dividend date of 22 June 2026. The total dividend for the 2025 financial year therefore amounts to 0.3021 euro per share, of which 0.1208 euro per share was already distributed in January 2026 as an interim dividend (405 million euro). The proposed dividend, in line with the dividend policy communicated to the market, represents a 4% increase compared with 2024 (higher than the 3% growth under the previous dividend policy), confirming Snam's commitment to ensuring sustainable shareholder remuneration over time.

4.3.2 TERNA (DISPATCH AND TRANSMISSION OF ELECTRICITY SECTOR)

(million of euro)		
Item	31/12/2025	31/12/2024
Total revenue	4,033	3,680
- of which regulated	3,279	3,096
EBITDA	2,751	2,566
EBITDA margin	68%	70%
Operating profit (EBIT)	1,790	1,677
EBIT margin	44%	46%
Net income	1,114	1,063
Net income- of the group	1,112	1,062

(million of euro)		
	31/12/2025	31/12/2024
Shareholders' Equity attributable to the parent company	7,791	7,524
Shareholders' equity including minority interests	7,813	7,544
Net financial debt (*)(**)	13,000	11,160
Net cash flow for the period	(479)	933
Technical investments	3,515	2,692

(*) It includes financial derivatives for 51.6 million euro (58.8 million euro in 2024).

(**) It does not include the net financial debt of the assets held for sale -2.8 million euro (-1.9 million euro in 2024).

TOTAL REVENUES

In 2025, Terna's total revenues (4,033.0 million euro) increased by 352.8 million euro (+9.6%) compared to 2024.

Revenues from Regulated Activities recorded an increase of 182.4 million euro. This increase, net of construction revenues relating to concession activities (+8.1 million euro), is mainly attributable to the rise in tariff revenues (+406.9 million euro), partially offset by the reduction in output-based incentives (-237.2 million euro).

Revenues from Non-Regulated Activities recorded an increase of 170.4 million euro, mainly attributable to the growth in revenues in the Equipment segment, which benefited from an increase of 55.7 million euro for the Tamini group and 23.2 million euro for the Brugg Cables group, as well as from the increase in revenues in the Energy Solutions segment (+87.9 million euro), driven by the higher volume of contracts awarded.

EBIT

Higher revenues (+352.8 million euro compared with 2024), partly offset by an increase in operating costs, which amounted to 1,282.2 million euro (+168.4 million euro compared with 2024), and by higher depreciation, amortisation and impairment losses, totalling 960.9 million euro (+71.9 million euro compared with 2024, mainly due to the entry into operation of new assets net of the lower write-downs made during the period), resulted in Operating Profit of 1,789.9 million euro, representing an increase in absolute terms (+112.5 million euro) compared with 2024 (1,677.4 million euro). The EBIT margin stood at 44%, compared with 46% in 2024.

NET INCOME

Net income from continuing operations reached 1,113.2 million euro, up 62.3 million euro compared with 1,050.9 million euro in the previous year.

The net result from discontinued operations and assets held for sale recorded a profit of 0.3 million euro, representing a decrease of 11.3 million euro compared with the previous year. This decrease is mainly attributable to the capital gain recognised in the previous year in relation to the third closing of the disposal of SPE Transmissora de Energia Linha Verde I S.A. to CDPQ, completed in November 2024.

Net profit for the year therefore amounted to 1,113.5 million euro, compared with 1,062.5 million euro in 2024 (+4.8%).

EQUITY

The increase in the parent company's equity (+267.1 million euro) is mainly attributable to the positive result for the year of 1,111.5 million euro and to the positive change in the cash flow hedge valuation reserve (+7.2 million euro). These effects were partly offset by coupons payable to holders of hybrid bonds gross of the related tax effect (-64.1 million euro), the interim dividend for 2025 (-239.1 million euro) and the distribution of the final dividend for the 2024 financial year (-556.8 million euro).

NET FINANCIAL DEBT

The group's net financial debt shows the following main changes during the year:

- increase in bond loans of 1,024.6 million euro, mainly attributable to two new bond issues launched by Terna for a total of 1,500.0 million euro, partly offset by the repayment of a 500 million euro bond loan in July 2025 and by the fair value adjustment of financial instruments;
- increase in medium/long-term bank loans of 1,546.5 million euro, mainly due to new disbursements totalling 1,701.0 million euro, net of repayments of instalments relating to existing EIB loans;
- decrease in short-term borrowings of 936.8 million euro, mainly attributable to the repayment of Commercial Paper by the parent company;
- decrease in the fair value of derivative financial instruments of 9.5 million euro, resulting from changes in the portfolio composition and the trend of the market interest rate curve;
- increase in other net financial liabilities of 32.2 million euro, mainly related to the recognition of accrued interest on financial instruments;
- increase in financial assets of 296.0 million euro, mainly due to the movement of the securities portfolio and the investment of liquidity in financial instruments with maturities of more than three months;
- a decrease in cash and cash equivalents of 478.8 million euro. As at 31 December 2025, cash and cash equivalents amounted to 1,832.7 million euro, of which 1,544.4 million euro were invested in short-term, highly liquid instruments, and 288.3 million euro related to bank current accounts and cash on hand.

The net financial debt of assets held for sale, amounting to 2.8 million euro as at 31 December 2025, is represented by the cash and cash equivalents of Terna Peru S.A.C..

TECHNICAL INVESTMENTS OF THE PERIOD

The total investments made by the Terna group in 2025 amounted to 3,514.9 million euro, marking a 30.6% increase compared to 2,692.1 million euro in 2024.

DIVIDEND PROPOSED

The Board of Directors of Terna S.p.A. proposes the distribution, for the 2025 financial year, of a total dividend of 795,846,910.86 euro, corresponding to 0.3962 euro per share outstanding, of which 0.1192 euro per share outstanding was approved as an interim dividend on 13 November 2025.

The Board of Directors therefore proposes to allocate the 2025 net income of Terna S.p.A., equal to 989,075,987.11 euro, as follows:

- an amount of 239,079,126.86 euro relates to the interim dividend, paid from 26 November 2025, for each ordinary share outstanding at the record date of 25 November 2025;
- 556,767,784.00 euro to pay the final dividend to be distributed in the amount of 0.2770 euro for each of the 2,009,992,000 ordinary shares representing the share capital at the date 26 March 2026 to be paid from 24 June 2026 with coupon date no. 44 on 22 June 2026 (record date pursuant to Article 83-terdecies of Legislative Decree no. 58 of 24 February 1998, the Consolidated Law on Finance: 23 June 2026). Treasury shares held in the portfolio at the record date indicated above will not be entitled to the final dividend. The amount of the 2025 final dividend due on treasury shares held by the Company at the record date will be allocated to the "retained earnings" reserve;
- 193,229,076.25 euro to retained earnings.

4.3.3 ITALGAS (GAS DISTRIBUTION, WATER SERVICES, AND ENERGY EFFICIENCY SECTOR)

(million of euro)		31/12/2025	31/12/2024
Item			
Total revenue (*)		2,535	1,740
- of which regulated		2,330	1,583
EBITDA		1,889	1,312
EBITDA margin		75%	75%
Operating profit (EBIT)		1,211	782
EBIT margin		48%	45%
Net income		706	508
Net income- of the group		672	479

(*) Unlike the statutory financial statements, the reclassified income statement presents total revenue and operating costs net of the effects of IFRIC 12 'Service Concession Arrangements' (€995.6 million and €746.5 million in 2025 and 2024 respectively), connection fees (€35.0 million and €19.0 million in 2025 and 2024 respectively), reimbursements from third parties and other items (€23.1 million and €33.8 million in 2025 and 2024 respectively). It also excludes special items.

(million of euro)		31/12/2025	31/12/2024
Shareholders' Equity attributable to the parent company		3,819	2,458
Shareholders' equity including minority interests		4,166	2,794
Net financial debt (*)		10,868	6,763
Net cash flow for the period		129	153
Technical investments		1,204	887

(*) This includes derivative financial instruments amounting to €13.2 million as at 31 December 2025 (a positive balance of €16.9 million as at 31 December 2024).

TOTAL REVENUES

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

Total adjusted revenues amounted to 2,484.2 million euro, up 705.4 million euro compared with the corresponding period of 2024 (+39.7%).

Regulated gas distribution revenues increased by 746.7 million euro compared with 2024 as a result of the new scope deriving from the acquisition of 2i Rete Gas S.p.A., despite the significant reduction in the WACC (-51.6 million euro), partially offset by the growth of the Regulatory Asset Base (RAB), mainly driven by investments carried out during the period and the revaluation rate effect, as well as by the full-year impact in 2025 of the higher operating costs recognised for tariff purposes (ARERA Resolution No. 87/2025/R/gas).

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

EBIT

Operating profit (EBIT) as at 31 December 2025 amounted to 1,211.1 million euro, an increase of 428.9 million euro compared with 31 December 2024 (+54.8%), driven by the increase in revenues (795.1 million euro, +45.7%), despite higher operating costs (218.9 million euro, +51.2%).

Operating costs amounted to 646.8 million euro, up 218.9 million euro compared with the corresponding period of 2024, mainly due to the inclusion of the new scope resulting from the acquisition of 2i Rete Gas S.p.A., as well as the expansion of activities in the energy efficiency sector, which correspond to the increase in other revenues. Operating costs include special items totalling 46.0 million euro.

Adjusted operating costs amounted to 600.8 million euro, an increase of 172.9 million euro compared with 2024. On a like-for-like basis, including the values of 2i Rete Gas S.p.A. for the period April–December 2024, operating costs decreased by 30.6 million euro (-5.2%). In addition, synergies and efficiencies, calculated on a like-for-like basis (including the 2i Rete Gas S.p.A. group for 12 months) and using as baseline the sum of costs recorded in the 2023 financial year, amounted to 35 million euro.

Depreciation, amortisation and impairment losses amounted to 677.5 million euro, an increase of 147.3 million euro (+27.8%) compared with 2024, mainly due to the assets acquired from 2i Rete Gas S.p.A. (revalued as a result of the Purchase Price Allocation), partially offset by the twelve-month effect of the completion of the depreciation process relating to assets subject to free transfer associated with the Rome concession (which expired in November 2024).

NET INCOME

Net income amounts to 705.8 million euro in 2025, an increase of 198.3 million euro (or +39.1%) compared to 2024. The change is attributable to: (i) the aforementioned increase in EBIT (+428.9 million euro compared with 2024), (ii) higher net financial charges of 115.8 million euro compared with the corresponding period of 2024, (iii) lower net income from equity investments of -0.3 million euro, and (iv) higher income taxes of 114.6 million euro.

EQUITY

Equity attributable to the group as at 31 December 2025 (3,818.9 million euro) consists mainly of share capital (1,257.4 million euro), the legal reserve (200.9 million euro), the share premium reserve (1,387.6 million euro), retained earnings from previous years (948.8 million euro), profit for the year (672.3 million euro), the consolidation reserve (-323.9 million euro), the reserve for business combinations under common control (-349.8 million euro) and other reserves (14.4 million euro).

NET FINANCIAL DEBT

Net financial debt (excluding the effects of IFRS 16 and IFRIC 12) increased by 4,061.5 million euro compared with 31 December 2024 and includes the financing of the former 2i Rete Gas S.p.A. and the issuance of a dual-tranche bond totalling 1,000 million euro used to finance part of the consideration for the acquisition of 2i Rete Gas S.p.A..

Financial and bond debt as at 31 December 2025 amounted to 11,416.9 million euro (7,185.8 million euro as at 31 December 2024) and relates to bonds for 8,371.4 million euro (including the fair value measurement of the bonds issued by 2i Rete Gas S.p.A. following the Purchase Price Allocation), loans from the European Investment Bank for 1,105.7 million euro, bank borrowings of 1,805.8 million euro and liabilities relating to IFRS 16 and IFRIC 12 of 134.0 million euro.

As at 31 December 2025, fixed-rate debt accounted for 79.8% of financial and bond debt (85.4% as at 31 December 2024), while variable-rate debt accounted for 20.2% (14.6% as at 31 December 2024). The increase in variable-rate liabilities is mainly due to the subscription of new bank financing completed during the year and the maturity of two fixed-rate bond issues, partially offset by the consolidation of fixed-rate bonds relating to 2i Rete Gas S.p.A..

TECHNICAL INVESTMENTS OF THE PERIOD

In 2025, technical investments amounted to 1,203.6 million euro (887.0 million euro as at 31 December 2024), of which 82.8 million euro related to investments in rights of use and concessions.

Investments relating to gas distribution (730.9 million euro) increased by 35.7% compared with 2024, mainly as a result of the new scope deriving from the acquisition of 2i Rete Gas S.p.A..

Investments in digitalisation (288.8 million euro) increased by 18.7% compared with the corresponding period of 2024. Despite the reduction resulting from the gradual completion of the network digitalisation process in Italy, this increase reflects the launch of upgrade activities on the legacy network of 2i Rete Gas S.p.A.

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

DIVIDEND PROPOSED

The Board of Directors will propose to the Shareholders' Meeting the distribution of an ordinary dividend for the 2025 financial year of 0.432 euro per share (0.406 euro per share in 2024; +13.3%)⁴¹, payable from 20 May 2026, with ex-dividend date on 18 May 2026 and record date on 19 May 2026.

4.4 CONSOLIDATED NET FINANCIAL DEBT

Consolidated net financial debt, determined in accordance with the “*Guidelines on disclosure requirements under the Prospectus Regulation*” issued by ESMA⁴² (ESMA32-382-1138) on 4 March 2021 and implemented by Consob communication starting from 5 May 2021, compared to the end of 2024, is as follows:

(million of euro) Items	31/12/2025	31/12/2024
A. Cash	1,238	987
B. Cash equivalent	2,866	3,641
C. Other current financial assets	1,145	800
D. Liquidity (A)+(B)+(C)	5,249	5,428
E. Current financial debt (including debt instruments, but excluding current portion of non-current financial debt)	2,173	3,997
F. Current portion of non-current financial debt	5,551	3,002
of which IFRS 16	73	77
G. Current financial indebtedness (E + F)	7,724	6,999
H. Net current financial indebtedness (G - D)	2,475	1,571
I. Non-current financial debt (excluding current portion and debt instruments)	12,892	10,575
of which IFRS 16	194	130
J. Debt instruments	27,575	23,533
K. Non-current trade and other payables	15	33
L. Non-current financial indebtedness (I + J + K)	40,482	34,140
M. Total financial indebtedness in accordance to ESMA Guidance (H + L) (*)	42,957	35,711

(*) Including net financial debt of assets and liabilities held for sale attributable to Terna and Italgas group; for further details, refer to the segment performance in the consolidated management report.

The **Consolidated Net Financial Debt (NFD)**, inclusive of the effects of the application of IFRS 16, amounted to 42,957 million euro (35,711 million euro at 31 December 2024).

For a more detailed analysis of this item, see the paragraph “Sector Performance” (of the subsidiaries Snam, Terna and Italgas) and the Report on Operations of the Parent Company.

⁴¹ The 2024 dividend has been adjusted by Italgas to reflect the so-called “bonus element” relating to the rights issue, applying the K coefficient communicated by Borsa Italiana on 30 May 2025. The percentage change between the 2025 dividend and the 2024 dividend (0.406 euro per share), excluding this adjustment, is 6.4%.

⁴² European Securities and Markets Authority (ESMA)

5. BUSINESS OUTLOOK

INTRODUCTION

The Annual Financial Report, in particular this section, contains forward-looking statements concerning the Group's intentions, beliefs or current expectations in relation to the financial results and other aspects of the Group's activities and strategies. Forward-looking statements have by their nature a component of risk and uncertainty because they depend on the occurrence of future events and developments. Actual results may therefore differ from those estimated in relation to several factors. It follows that these forecasts could differ significantly from the final results as a consequence of risks and uncertainties depending on multiple factors. For further details, reference should be made to section "3.2 RISK FACTORS" of the Consolidated Report on Operations, section "VI – FINANCIAL RISK MANAGEMENT" of the Notes to the Consolidated Financial Statements, and section "IV – INFORMATION ON RISKS AND RELATED HEDGING POLICIES" of the Notes to the Separate Financial Statements, which provide a detailed description of the main risks relating to the business activities of the CDP RETI Group that may affect its ability to achieve the objectives set.

The **Parent Company CDP RETI S.p.A.** will continue to constantly monitor the most efficient financial structure in 2026, with a view to optimising it in terms of duration and interest rate exposure. With regard to 2026, no significant impacts on the profit for the year are expected in relation to interest rate trends, given that the related interest rate risks have been adequately mitigated through the refinancing strategies implemented in previous financial years. In particular: (i) the 2022 Bond and the 2024 Bond bear a fixed interest rate; and (ii) the Term Loan, although originally at a variable rate, has been converted into a fixed-rate exposure as a result of the subscription of interest rate swap (IRS) hedging derivatives with CDP S.p.A.⁴³.

From an operational standpoint, in the first half of 2026 the subsidiaries are expected to distribute the balance of the 2025 profit⁴⁴, which will among other things offset the payment of the 2025 balance to the Shareholders of CDP RETI, as well as the financial charges associated with the existing bond issues and loan.

Lastly, in more general terms, with regard to the assumptions underlying the future economic forecasts and expected impact on operations, the assumptions underlying the forecasts for the current year are detailed below:

- **Assets:** estimated to remain stable and mainly comprising equity investments in Snam (3.1 billion euro), Terna (1.3 billion euro) and Italgas (0.9 billion euro). The value of the equity investments is expected to amount to 5.3 billion euro at the end of 2026, in the absence, as at today's date, of any information that would indicate that such value is not recoverable⁴⁵. No further new investments / divestments are planned in the forecast period. In addition, a solid liquidity profile is confirmed due to the dynamics of dividends received from investees, net of dividend payments to Shareholders and interest on outstanding financial liabilities;
- **Liabilities:** no significant changes in the capital structure are expected. Liabilities are estimated to be constant and consist mainly of: (i) bond loan issued in 2022 (amounting to 0.5 billion euro maturing in 2027), (ii) bond issued in 2024 (amounting to 0.6 billion euro maturing in 2031) and (iii) term loan entered into in 2024 (amounting to 0.6 billion euro maturing in 2029);
- **Equity:** estimated to be broadly stable also thanks to a solid earnings profile;
- **Income Statement:** the trend in net income is mainly driven by the expected growth in dividends (in line with the profit distribution policies currently announced by the subsidiary) and by the dynamics of net interest expense, which is expected to remain broadly stable compared with 2025.

Although, as at today's date, the Company is not able to determine with absolute reliability the effects of the evolution of the current geopolitical environment - characterised by the continuation of the conflict in Ukraine, the escalation of tensions in the Middle East and increasing trade frictions, which have resulted in persistent volatility in energy and commodity prices, disruptions to supply chains and changes in global trade dynamics - on the targets for 2026 and subsequent years, based on the information currently available no significant impacts are expected on the Company's strategy and objectives, nor on its ability to distribute dividends to Shareholders, or on its Net Financial Position and cash flows or, more generally, on liquidity risk. There are currently no distressed conditions affecting debt or equity (nor are they reasonably foreseeable) or a financial situation of the Company that would require support from the Shareholders. Notwithstanding the above, it is not possible to completely rule out that the possible continuation of the aforementioned context could have adverse effects on

⁴³ Based on the Company's most recent forecasts, no additional hedging transactions are expected to be entered into in respect of the 2026 financial year.

⁴⁴ Moreover, with regard to dividends received, on 21 January 2026, Snam's 2025 interim dividend of approximately 127 million euro was collected.

⁴⁵ It is worth noting in this regard that, in overall terms, the CDP RETI Group's core business is represented by the activities conducted by the subsidiaries (Snam, Terna and Italgas) under a regulated regime. There are currently no potential indications of impairment losses, given that the listed prices for investee companies at 31 December 2025 are showing significant gains in relation to the amounts accounted for in the Company's financial statements.

CDP RETI, which at present cannot be estimated based on the information available. Any additional future impacts on economic/financial performance and financial position, as well as on the business development plans, will be assessed in accordance with the evolution and duration of the current context. Also with reference to climate-related issues, no significant impacts on the Parent Company are currently expected.

Please refer to section "1.1.5. Other issues" of the consolidated financial statements for a more analytical description of the ESMA Disclosure.

SNAM

In a European energy context still characterised by volatile markets, the reconfiguration of supply chains and the progressive evolution of the regulatory framework, Snam positions itself as a benchmark in ensuring the security of the energy system, promoting the dissemination and understanding of the concept of energy integration and contributing to the development of a more efficient and sustainable energy system.

In this context, Snam promotes the concept of energy integration, strengthening its role as a key player in the European energy landscape.

This commitment is supported by investments aimed at industrial growth across four main areas:

- the strengthening of transport, storage and LNG infrastructure, including completion of the Adriatic Line, the gasification of Sardinia, the installation of six dual-fuel compression stations to support integration with renewable sources, contributing to emissions reduction, as well as the consolidation of its stake in OLT;
- investments in Market Solutions, primarily biomethane and energy efficiency;
- the development of Carbon Capture & Storage (CCS) (Ravenna Project) to develop the national CO₂ transport system and storage infrastructure in Ravenna, in line with Snam's sustainability commitments;
- the development of the Hydrogen Backbone, through the conversion of approximately 60% of the existing network.

In this context, contrary to EU scenario assumptions, the most recent estimates for natural gas demand in Italy for 2026 indicate a slight increase compared with 2025, with end-use sectors remaining stable or showing moderate growth.

Thanks to ongoing diversification of supply sources and investments in supply security, no significant disruptions or critical issues have been recorded within Snam's international asset portfolio.

Snam will continue to closely monitor developments in both the Middle East and Ukraine, assessing potential consequences and impacts on the group; no material impacts related to these events have been identified with regard to operational management or the execution of the investment programme.

In a global context that continues to be volatile, interest rates for 2026 are not expected to materially change compared with current levels. Snam's average cost of debt in 2026 is expected to increase slightly compared with 2025, to around 2.8%.

The main levers for optimising the financial structure are based on increasing diversification of funding markets, as demonstrated by the debut on the US market, on medium- and long-term funding sources, as well as through dynamic short-term treasury management. Snam places strong emphasis on maintaining a solid financial structure, as evidenced in 2025 by the upgrade to A- by S&P and the improvement in outlook to positive by Moody's.

The financial targets for 2026 are as follows:

- investments of 2.8 billion euro, of which:
 - (i) 2.6 billion euro in gas infrastructure, CCS and hydrogen;
 - (ii) 0.2 billion euro in Market Solutions businesses;
- regulated RAB of 28.8 billion euro, including the consolidation of OLT;
- adjusted EBITDA of approximately 3.1 billion euro;
- adjusted net income above 1.45 billion euro;
- net debt of approximately 19 billion euro.

TERNA

The current geopolitical environment continues to show signs of deterioration, with increasing rivalry among major powers, regional tensions and growing competition for access to strategic resources. This context fosters a climate of instability, exposing the global economy to potential shocks and inflationary pressures linked to the fragmentation of value chains, the reconfiguration of trade routes and the strengthening of protectionist measures.

Economic growth in 2026 is therefore expected to be moderate, slowing compared to 2025 and remaining below pre-pandemic levels. In this scenario, the European electricity sector will continue its decarbonisation pathway and the strengthening of energy security as outlined in the Fit for 55 package and implemented in Italy through the PNIEC 2024.

The Terna group will therefore focus on executing the update of the 2024-2028 Strategic Plan, which envisages total investments of 17.7 billion euro, confirming its role as an enabler of the energy and digital transition and contributing to the achievement of decarbonisation targets and increased independence of the Italian electricity system.

In particular, with reference to Regulated Activities, investment acceleration will continue to increase transmission capacity, integrate growing volumes of renewable generation and enhance grid resilience and digitalisation.

Key strategic projects include progress on the Tyrrhenian Link: on the eastern section, continuation and completion of onshore cable laying for both poles and offshore cable laying for pole 2, together with installation of major equipment at converter stations. On the western section, commencement of offshore electrode installation and continuation of civil works and onshore cable laying, alongside ongoing construction of converter stations and production of electromechanical equipment and prefabricated buildings are expected.

For the Sa.Co.I.3 project, works will continue on landfall construction sites in Italy and Corsica, as well as cable laying activities in Tuscany. The commencement of onshore cable laying works in Sardinia and the installation of submarine power cables is also planned.

With regard to the Adriatic Link project, activities will continue on the production of submarine cables, civil works for onshore cables in the Marche and Abruzzo regions for both poles, and qualification testing of both submarine and onshore cables. Activities at converter station sites and the production of related electromechanical equipment will also continue.

Finally, for the Chiramonte Gulfi – Ciminna project, following the opening of construction sites, implementation activities will continue alongside land acquisition procedures, material procurement and second-level permitting processes, including the related concessions.

In addition, the group will continue to carry out activities aimed at achieving the targets set under output-based regulatory mechanisms defined by ARERA, including those relating to the reduction of dispatching costs (MSD incentives – “Mercato dei Servizi di Dispacciamento”, Resolution No. 326/2024/R/eel) and those relating to the increase in additional interzonal transmission capacity (interzonal incentives – Resolution No. 55/2024/R/eel), with a commitment to maintaining the performance levels achieved during the observation period. During 2026, ARERA is also expected to publish consultation documents and subsequent implementing resolutions regarding the experimental incentive mechanism for implementation and/or performance efficiency (introduced by Resolution No. 390/2025/R/com), aimed at the evolution of regulation towards a full ROSS framework. Furthermore, the group will continue to monitor the evolution of the main parameters used in the WACC calculation formula for the 2025-2027 regulatory period, in view of the possible activation of the trigger event for 2027.

With regard to Non-Regulated Activities, following the completion of the reorganisation phase within the subsidiaries of Terna Energy Solutions S.r.l., the Terna group will strengthen its role across the various segments of the energy transition value chain: the Altenia group, acting as a system integrator with specialised and diversified capabilities in the design, construction and maintenance of electrical and renewable plants; the Tamini group, a leader in transformer manufacturing; and the Brugg Cables group, operating in the underground cable sector. These entities, which are also key to the execution of the group's investments, will develop high-added value activities for businesses, offering customers technological, innovative, and digital solutions in the energy and industrial sectors, while seizing growth opportunities through both the consolidation of market leadership and the expansion of production capacity.

The group will also continue to develop its Connectivity business, based on activities relating to the dark fibre network.

With regard to international activities, the group will continue the process of enhancing the value of its asset portfolio in the Americas, undertaking all necessary actions to complete the disposal of its operations in Peru. In addition, the group will continue to monitor international markets, with a focus on the Balkan and Mediterranean regions, in order to assess developments in the macroeconomic and geopolitical environment.

During 2026, the group will intensify efforts to improve operational efficiency and the management of the transmission network through the adoption of innovative technologies and the digitalisation of transmission assets, including the implementation of IoT technologies. This will include, for example, the implementation of the most advanced mobile network technologies, the enhancement of monitoring systems and the development of advanced predictive algorithms to optimise infrastructure maintenance and improve network resilience.

Management of the Terna group's business will continue to be based on a sustainable approach and respect for the ESG criteria, ensuring that it is able to minimise the environmental impact, involve local stakeholders and meet the need for integrity, responsibility and transparency.

By 2026, the Terna group is expected to generate revenues of 4.41 billion euro, EBITDA of 2.93 billion euro and a net profit of 1.12 billion euro. With specific reference to investments, the group has a 2026 target of approximately 4.2 billion euro. These objectives will be pursued whilst maintaining the commitment to maximising the cash generation necessary to ensure a sound and balanced financial structure.

ITALGAS

With regard to Italgas, over the next few years, the group is preparing to strengthen its role as a leading operator in gas distribution through a management approach increasingly focused on digital innovation, sustainability and operational efficiency.

The acquisition of 2i Rete Gas S.p.A. has required, and will continue to require, a review of operating models, with particular attention to the digitalisation of processes and cost optimisation. The Italgas 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 broader growth path in which the group is committed to promoting energy efficiency also through training programmes and the continuous development of employees' skills, thereby fostering a corporate culture oriented towards change and flexibility. In addition, a strong focus on research and development represents a key element in testing innovative solutions, in line with international best practices and European directives relating to environmental sustainability and emissions reduction.

In this context, the increasing adoption of solutions based on Artificial Intelligence represents an enabling factor for improving service quality, reducing operating costs and increasing efficiency.

Artificial Intelligence is progressively being integrated into network management systems, enabling the optimisation of energy flows – which will increasingly incorporate shares of green molecules (biomethane, hydrogen and synthetic methane) – and the early detection of faults or anomalies, thereby enhancing infrastructure resilience and network safety. Strengthening strategic partnerships with leading technological and industrial players will also accelerate the implementation of innovative projects and broaden the range of services offered to end customers.

In summary, the future of the Italgas group will be characterised by stronger industrial integration, a significant drive towards digital innovation and a concrete commitment to sustainability.

Continuous attention to the needs of the territories served, the ability to adapt to regulatory developments and the willingness to invest in low environmental impact solutions represent the foundations on which Italgas intends to build sustainable and responsible growth. This approach prioritises quality, safety and a long-term vision, in line with international best practices and with the expectations of a group increasingly focused on the ecological transition.

6. SIGNIFICANT EVENTS AFTER 31 DECEMBER 2025

Below is a summary of the significant transactions that occurred after 31 December 2025 for each company.

CDP RETI

With regard to the Parent Company, among the main events occurring after the reporting date, reference is made to the receipt on 21 January 2026 of the interim dividend for 2025 from Snam amounting to approximately 127 million euro.

SNAM

On 7 January 2026, Snam completed a structured financial transaction combining the issuance of a new green bond convertible into existing ordinary shares of Italgas S.p.A. and the simultaneous repurchase of EU Taxonomy-aligned Transition Bonds, convertible into existing ordinary shares of Italgas S.p.A. and maturing in 2028, with the aim of optimising the debt structure and supporting investments related to the energy transition. Specifically, the group issued new bonds maturing in 2031 with a nominal value of 500 million euro, convertible into existing ordinary shares of Italgas, with a five-year duration and a fixed annual coupon of 1.75%, payable semi-annually on 14 January and 14 July of each year. At the same time, Snam repurchased the convertible bonds maturing in 2028 through a reverse bookbuilding process.

On 2 March 2026, Snam completed the acquisition of the 48.24% stake held by Igneo Infrastructure Partners (“Igneo Transaction”) in OLT – Offshore LNG Toscana S.p.A. (“OLT”), which operates the FSRU Toscana offshore Livorno.

Furthermore, on 4 March 2026, Snam entered into an agreement with Golar Offshore Toscana Ltd for the acquisition of the remaining 2.69% stake held by the latter in OLT (“Golar Transaction” and, together with the Igneo Transaction, the “Transactions”).

The total consideration for the Transactions, including the stakes held by Igneo and Golar and the residual portion of the shareholder loan granted by Igneo to OLT, amounts to approximately 129 million euro. The closing of the Igneo Transaction, following the receipt of the relevant regulatory approvals, enabled Snam to increase its shareholding in OLT to 97.31%, resulting in its consolidation in Snam’s financial statements. With regard to the Golar Transaction, closing is expected during March.

On 20 February 2026, Decree-Law No. 21, known as the “Energy and Bills Decree”, was issued, published in Official Journal No. 42 of the same date. To finance the reduction of energy bill charges, the decree provides for a 2% increase in the IRAP rate for the 2026–2027 tax period, applicable to entities operating in the energy sector, identified through specific ATECO codes. With reference to Snam’s scope of activities, the impacts of the Decree concern companies operating in the natural gas transmission and storage businesses. Based on currently available information, the increase in the IRAP rate is expected to result in additional costs of approximately 40 million euro for each of the 2026 and 2027 financial years.

With regard to the escalation of the conflict in the Middle East, which began on 28 February 2026, involving cross-border attacks between the United States/Israel and Iran and the resulting repercussions on security, transport and infrastructure in the region, the following points should be noted. Snam does not have any production operations in the countries directly involved in the Middle East conflict. The company’s core business consists of providing transport, storage and regasification capacity within Italy (and across Europe through its subsidiaries). Through its subsidiary Snam International BV, Snam holds an associated interest (25%) in EMG (East Mediterranean Gas Company S.A.E.), which is based in Egypt (and has a branch in Israel) and carries out natural gas transmission activities, primarily between Israel and Egypt; with the outbreak of the conflict, gas extraction activities from the Leviathan field (the main extraction field for exports from Israel to Egypt) have been temporarily suspended. As regards procurement, no significant impacts are anticipated, as the supply chain consists largely of Italian or European companies. With regard to the sale of services, any impacts arising from the conflict (for example, the possible cancellation of regasification slots due to force majeure) would have very limited economic consequences. The company’s regulated activities include guarantee mechanisms for the majority of recognised revenues, even in the event of a possible reduction in gas demand in the short to medium term, as well as fluctuations in energy commodity prices. Snam continues to closely monitor developments in the geopolitical landscape in order to promptly identify any developments of potential significance to the Company.

TERNA

Completion of the laying of the western section of the Tyrrhenian Link: connecting Sicily and Sardinia

At the beginning of January 2026, the laying of the first submarine cable of the western section of the Tyrrhenian Link, one of the most significant infrastructure projects undertaken by Terna, was completed. The link connects Sicily and Sardinia and reaches a record depth of 2,150 metres, representing a world record for a high-voltage direct current (HVDC) submarine cable. In just over three months, approximately 480 km of cable were installed between Fiumetorto (Termini Imerese) and Terra Mala (Quartu Sant'Elena), with works carried out by Nexans' vessel Aurora. The Tyrrhenian Link entails a total investment of 3.7 billion euro and includes two 500 kV sections (eastern and western), for a total length of approximately 970 km and a transmission capacity of 1,000 MW per section. Completion is expected in 2028. Thanks to its transmission capacity, the Tyrrhenian Link will significantly contribute to achieving the decarbonisation targets set out in the Integrated National Energy and Climate Plan. By increasing exchange capacity and improving the adequacy and flexibility of the national transmission grid, the infrastructure will strengthen interconnections between Campania, Sicily and Sardinia.

Investment of over 80 million euro to enhance grid reliability in areas exposed to extreme weather events: two new underground cable lines totalling approximately 33 km

On 12 January 2026, Terna published a notice regarding the launch of the authorisation process by the Autonomous Region of Friuli Venezia Giulia for a plan of interventions on the national electricity grid in the Trieste area. The project involves a total investment of over 80 million euro, forms part of Terna's Resilience Plan, and aims to strengthen the local grid against extreme weather events, particularly strong winds, as well as to support the increase in demand associated with the electrification of the Port of Trieste. The first of the two planned projects involves the construction of an underground cable connection extending over 23 km between the Duino Aurisina electrical substation and the "Roiano" primary substation. The second underground cable connection extends for over 9 km from the Valmartinga primary substation to the Rozzol primary substation. The routing of the transmission lines and the expansion of the electrical substation are the result of coordination and consultation between Terna and the relevant municipalities and local authorities, with the objective of minimising the crossing of privately owned land while maximising the use of areas managed by municipalities or public entities.

Terna Recognised as a Top Employer for 2026

On 15 January 2026, the certification body Top Employers Institute, which assesses companies based on their HR policies and strategies, recognised Terna as one of the Top Employers 2026 for the second consecutive year. The survey confirmed Terna's high standards in 6 key areas of Human Resources, assessing 20 topics and best practices, including People Strategy, Work Environment, Talent Acquisition, Learning, Diversity, Equity & Inclusion, and Wellbeing. This certification confirms the effectiveness of Terna's People Strategy, launched in 2024, aimed at strengthening an organisational culture based on growth, change and merit, promoting respect for people and diversity, and enhancing HR processes to support value creation. The new approach, prioritising skills and talent development, promotes individual performance and, consequently, organisational performance, leveraging responsibility and merit to encourage motivation, engagement, and wellbeing.

Launch of the authorisation process for a new electrical substation in the province of Pisa

On 15 January 2026, the Ministry of Environment and Energy Security initiated the authorisation process for a new Terna electrical substation in the Municipality of Castelnuovo di Val di Cecina, in the Province of Pisa. The project, with an investment exceeding 50 million euro, aims to enhance the area's renewable energy sources, particularly the Larderello geothermal district, and to improve the quality and reliability of the electricity network. The substation will be built using compact gas-insulated technology, reducing land use by approximately 60% compared to traditional installations, thereby limiting environmental and landscape impact. An architectural and landscape integration project is also planned. To connect the new substation to the national transmission grid, two overhead connections with a total length of 800 metres and two underground cables insulated with XLPE (cross-linked polyethylene) will be constructed, with a total length of approximately 4 km, ensuring greater reliability, efficiency and sustainability. The project is included in Terna's 2025-2034 Development Plan, which involves investments of approximately 2 billion euro in the electricity network of Tuscany. The planned works aim to improve the performance and efficiency of the regional electricity system.

Standard Ethics confirms "EE+" rating

On 22 January 2026, the leading international non-financial rating agency Standard Ethics confirmed Terna's Corporate Rating at "EE+" (corresponding to a "Very Strong" assessment), positioning the company within the highest "Sustainable" band and among the top performers in the Utilities sector. In particular, over 99% of investments under the 2024-2028 Strategic Plan are considered sustainable under the EU Taxonomy, and the group is committed to defining Science Based

Targets for Nature and achieving a Net Zero target by 2050. Terna has implemented an advanced ESG governance and risk management model, with non-financial reporting aligned with UN, OECD and EU standards, enabling it to receive the “Best ESG Rating Award” from Standard Ethics for the third consecutive year and to maintain leading positions in the sector according to ISS ESG, CDP, S&P Global and Sustainalytics. As a result of these recognitions, Terna is included in major international ESG indices, including the Dow Jones Sustainability Index, Euronext Sustainable, MIB ESG, Stoxx Global ESG Leaders and FTSE4Good, thereby consolidating its global leadership in environmental, social and governance matters.

Successful launch of a new 750 million euro green bond with a 7-year duration

On 26 January 2026, Terna S.p.A. successfully issued a perpetual, subordinated, hybrid, non-convertible fixed-rate European Green Bond, placed with institutional investors for a total nominal amount of 850 million euro. The issuance, following the 750 million euro senior European Green Bond launched in July 2025, was met with strong market demand, with orders exceeding 7 billion euro (approximately nine times the offer), and was characterised by high quality and broad geographical diversification of investors. The bond is non-callable for six years, issued at 100% with a spread of 123 basis points over the mid-swap rate, implying a subordination premium of less than 60 basis points compared to a senior bond of similar maturity—the lowest ever recorded for a euro-denominated corporate hybrid bond in Europe. The bond pays a fixed annual coupon of 3.875% (the effective rate of the transaction) until, but excluding, the first reset date on 2 February 2032. From that date, if early redemption has not occurred, the hybrid bond will accrue annual interest at the five-year euro mid-swap rate, plus an initial margin of 123 basis points, increased by an additional margin of 25 basis points from 2 February 2037 and by a further 75 basis points from 2 February 2052. The settlement date of the issuance is expected to be 2 February 2026. In accordance with Regulation (EU) 2023/2631, the proceeds of the issuance are expected to be used to finance or refinance the Company’s so-called “eligible green projects”, identified or to be identified on the basis of Terna’s Green Bond Framework, published in July 2025 and aligned with the “Green Bond Principles 2025” issued by the International Capital Market Association and with the EU Taxonomy aimed at promoting sustainable investments. It should also be noted that the perpetual hybrid European Green Bond has been issued under Terna’s Euro Medium Term Notes (EMTN) Programme, with a total amount of 4 billion euro, approved in June 2025 (and subsequently updated by Supplement, most recently on 22 January 2026) by the Commissione Nazionale per le Società e la Borsa (CONSOB). It is further noted that an application for admission to listing on the Mercato Obbligazionario Telematico (MOT), managed by Borsa Italiana, will be submitted at the time of issuance.

Launch of the authorisation process for new underground cable connections in the Province of Naples

On 29 January 2026, following the initiation of the authorisation process for the project connecting the “ASI Nola” primary substation to the national transmission grid, Terna published a notice including the cadastral parcels of the areas potentially affected by the works in the Province of Naples. Terna will invest approximately 50 million euro in the construction of two new transmission lines with a total length of 15 km, affecting the municipalities of Nola, Marigliano and Brusciiano. The project includes an 11 km underground power line between the Brusciiano primary substation and the “ASI Nola” primary substation, and a second 4 km underground cable connection between the “ASI Nola” and Nola primary substations, both owned by the local distribution operator. The project aims to strengthen the electricity grid in the Naples metropolitan area, improving its resilience and efficiency to meet the growing energy demand of the Nola industrial area. Project documentation will be available for consultation by citizens and owners of the affected cadastral parcels at the Ministry of Environment and Energy Security, the Campania Region and the municipalities involved, as well as online via the links provided in notices published on municipal notice boards and on the regional website. Any comments may be submitted within 30 days of publication of the notice to the Ministry, with a copy to Terna.

Terna and the Municipality of Florence: start of pylon dismantling works

On 2 February 2026, in Florence, Terna began the removal of transmission towers, starting with the dismantling of a pylon near the San Giovanni di Dio Hospital, in the presence of the Councillor for Urban Planning, Urban Decorum and Toponymy, Caterina Biti, and the Head of Terna’s Central-Northern Transmission Department, Gilberto Ricci. The first phase of works, lasting three weeks, involves the removal of 2 km of overhead lines and 7 pylons, made possible by the prior construction of new underground lines, as part of a broader plan for the rationalisation and modernisation of the metropolitan electricity grid, for which Terna has invested over 45 million euro, with the aim of improving safety, efficiency and sustainability. From spring 2026, three further interventions are planned, also involving Scandicci and Impruneta, enabling the removal of an additional 12 km of overhead lines and 61 pylons. At the end of the programme, with 14 km of lines and 68 pylons removed, approximately 50 hectares of land currently occupied by infrastructure, equivalent to around 45 football pitches, will be returned to the territory. In addition, approximately 200 tonnes of steel and 40 tonnes of conductors and earth wires will be recovered for reuse through specialised operators. Throughout the works, Terna will collaborate with the Municipality and the Prefecture of Florence to implement temporary traffic management measures, ensuring safety and minimising disruption to circulation.

Terna ranked first electricity company worldwide in S&P Global’s “Sustainability Yearbook 2026”

On 10 February 2026, Terna was recognised among global sustainability leaders, achieving the highest distinction, “Top 1%”, in the “Sustainability Yearbook 2026” published by S&P Global, which assessed the ESG performance of over 9,200 companies. With a score of 90 out of 100, Terna achieved the highest rating among more than 200 electricity utilities analysed, confirming its excellence for the ninth consecutive year. The assessment covers environmental impact, climate strategy, human capital management, occupational safety, governance and human rights. The recognition rewards Terna’s ESG policies, including the quality of its reporting, the reduction of CO₂ emissions and the management of human capital, in line with its commitment to achieving a Net Zero Science Based target by 2050. This achievement confirms Terna’s role as an enabler of the energy transition and the creation of sustainable value, with over 99% of its investments considered compliant with the EU Taxonomy.

Formal start of the liquidation process of “Terna 4 Chacas S.A.C.”

On 16 February 2026, it was announced that the formal voluntary liquidation process of the subsidiary “Terna 4 Chacas S.A.C.” has been initiated. The company has carried out the mandatory update of its corporate name, in accordance with the applicable Peruvian legislation and in line with similar provisions under Italian law in comparable cases. As of today, the company’s corporate name is therefore “Terna 4 Chacas S.A.C. – En Liquidación”. The process is expected to be completed by June, subject to no unforeseen circumstances.

Increase in electricity consumption in January driven by low temperatures and industrial growth

On 17 February 2026, it was reported that in January 2026 national electricity demand increased by 4.1% compared to the same month of 2025, reaching 28 billion kWh, the highest monthly level since 2014. Wind and solar generation increased by 16%, while electricity demand continued the recovery trend that began in September 2025. Adjusted for temperature and calendar effects, demand increased by 2.8%, with consistent growth across the country: +4.2% in the North, +4.1% in the Centre and +3.9% in the South and islands. Industrial consumption, measured by the IMCEI index across approximately 1,000 energy-intensive companies, increased by 3.8%, driven by the steel, cement, food and non-ferrous metals sectors, while sectors such as mechanical engineering, paper and chemicals recorded declines. The IMSER services index showed an increase of 4.2% in November 2025. Domestic production covered 88.7% of demand, with an overall increase of 13% and reduced reliance on energy imports, offset by higher wind, solar and thermoelectric generation. Renewable sources covered 31.7% of demand, with wind (+16.2%) and solar (+15.2%) increasing, while hydroelectric (-11.4%) and geothermal (-2.2%) declined. Total installed capacity reached 84,003 MW, including 43,846 MW of solar and 13,768 MW of wind capacity, with 893,092 new installations corresponding to 18,038 MWh of storage capacity and 7,424 MW of nominal power.

Launch of the authorisation process for two new underground cable connections in the province of Siracusa

On 25 February 2026, following the initiation by the Sicilian Region of the authorisation process for the construction of two new connections to the primary substations of Sortino and Lentini, Terna published a notice identifying the cadastral parcels of the areas potentially affected by the project. The project, for which Terna will invest approximately 18 million euro, aims to strengthen the electricity network in the area, improving its reliability, efficiency and sustainability. The intervention involves the construction of two new underground transmission lines with a total length of over 6 km in the municipalities of Sortino, Melilli and Carlentini. The new infrastructure will connect the Sortino and Lentini primary substations to the “Pantano–Melilli” line, enabling the removal of approximately 50 km of existing overhead lines across the municipalities of Catania, Melilli, Augusta, Carlentini and Priolo Gargallo, thereby freeing approximately 145 hectares of land. These works form part of the infrastructure associated with the “Paternò–Pantano–Priolo” corridor, completed in 2025 and designed to improve the efficiency and resilience of the regional electricity system. The infrastructure extends for approximately 63 km between the provinces of Catania and Siracusa and has enabled the decommissioning of 155 km of overhead lines and approximately 400 pylons. Any comments must be submitted within 30 days of publication to the Region, with a copy to Terna. In Sicily, Terna operates over 4,500 km of high- and extra-high-voltage lines and 81 substations, confirming its role in ensuring the security and development of the system.

Disposal of electricity transmission activities in Peru

On 26 February 2026, Terna Plus S.r.l. and Rete S.r.l., companies of the Terna group, entered into a binding agreement with Engie Transmisión Perú S.A. (a company of the Engie group) for the disposal of 100% of the share capital of Terna Peru S.A.C., owner of a 138 kV transmission line, approximately 132 km in length, connecting the Aguaytía and Pucallpa substations in the Ucayali region of Peru. The transaction value amounts to approximately 15 million US dollars. Completion of the transaction is expected in the third quarter of 2026. This transaction forms part of Terna’s strategic repositioning process, implemented through the enhancement of assets developed in South America, as confirmed in the update of the 2024-2028 Strategic Plan.

Acquisition of a minority interest in Gyala S.r.l.

On 26 February 2026, the shareholders' meeting of Gyala S.r.l. approved a non-divisible capital increase, to be paid in cash, for a total amount of 4.0 million euro (including share premium), to be subscribed exclusively by Terna Forward S.r.l., CDP Venture Capital SGR S.p.A., Deep Ocean Capital SGR S.p.A. and Ventive S.r.l. Following completion of the capital contributions by all investors, the transaction will be completed and the wholly owned subsidiary Terna Forward S.r.l. will acquire a minority interest equal to 4.17% of the share capital. Gyala S.r.l., operating in the cybersecurity sector, develops, produces and markets high value-added innovative products, solutions and services.

Utility Bills Decree: temporary increase in the IRAP rate

In early March 2026, with the entry into force of the so-called "Utility Bills Decree" (Decree-Law No. 21 of 20 February 2026), a temporary increase of two percentage points in the IRAP rate was introduced for the 2026 and 2027 tax periods, applicable to entities operating in the sectors of electricity generation, transmission and distribution.

Launch of the authorisation process for the Montecorvino–Benevento electricity connection

On 3 March 2026, it was announced that, following the initiation by the Ministry of Environment and Energy Security of the authorisation process for the new transmission line connecting the Montecorvino (Salerno), Avellino and Benevento substations, Terna published a notice listing the cadastral parcels affected by the project. With an investment of approximately 340 million euro, the infrastructure will extend over a route of approximately 90 km. The project will enable a significant reconfiguration of the local electricity network, including the construction of 70 km of underground cables and the removal of over 100 km of overhead lines and approximately 300 pylons, freeing nearly 290 hectares of land. Specifically, 29 km of lines and 79 pylons will be dismantled in the Province of Salerno, 47.5 km and 151 pylons in the Province of Avellino, and 20.5 km and 68 pylons in the Province of Benevento. The project will enable the full utilisation of the Tyrrhenian Link, facilitating the integration of renewable energy sources and improving the security and efficiency of the electricity network in Campania, also through the reduction of network congestion. Furthermore, it will enhance energy exchange capacity in Southern Italy, contributing to national and European decarbonisation targets. The route has been defined through a voluntary participatory process promoted by Terna between 2021 and 2022, involving municipalities, the Campania Region, associations and supervisory authorities, in order to identify environmentally and landscape-sustainable solutions. In 2023, the public consultation required by legislation was carried out, including information meetings and the collection of comments, the results of which were approved by the Ministry, which subsequently initiated the authorisation process. Project documentation, including the relevant cadastral parcels, is available for consultation at the competent authorities and online; comments may be submitted within 30 days of publication of the notice. In Campania, Terna employs 430 people and operates approximately 4,000 km of high- and extra-high-voltage lines and 67 substations, confirming its strategic role in the development and security of the regional electricity system.

Launch of the authorisation process for a new underground cable connection in the city of Matera

On 4 March 2026, following the initiation by the Ministry of Environment and Energy Security of the authorisation process for the construction of a new transmission line in the city of Matera, Terna published the list of the affected cadastral parcels. The project involves a total investment of approximately 19 million euro and consists of an approximately 8 km underground cable connection between the Matera and Matera Nord substations. The infrastructure will enable the removal of approximately 6.5 km of overhead lines and the dismantling of 20 pylons, returning over 5 hectares of land within the urban area and facilitating the integration of electricity infrastructure in densely populated areas. With over 60 employees in the region, Terna operates approximately 2,500 km of high- and extra-high-voltage lines and 21 substations in Basilicata.

TEHA–Terna study: energy security and independence – the transmission network as a driver of Italy's competitiveness

On 6 March 2026, Terna's National Transmission Grid was confirmed as a key enabler for the efficient integration of renewable energy sources and storage systems into the Italian electricity system. According to the study "Energy security and independence: the transmission network as a driver of Italy's competitiveness", promoted by TEHA group in collaboration with Terna, renewable sources accounted for approximately 50% of national electricity generation in 2025, establishing themselves as the main lever for strengthening the country's energy independence. The study highlights the significant macroeconomic impact of Terna's investments. In particular, the transmission network plays a distinctive role in generating long-term value and territorial benefits, as each euro invested in the transmission network results in an impact of 2.98 euro on production value and 1.31 euro on GDP. Overall, the investments envisaged in Terna's Strategic Plan translate into 35 billion euro of production value and 16.2 billion euro of GDP. In recent years, the global energy landscape has undergone significant changes. Between 2010 and 2024, the average cost of electricity generation from solar and wind decreased by approximately 90% and 70%, respectively. In 2025, in Europe, these two sources accounted for approximately 30% of electricity generation, surpassing fossil fuels for the first time. A similar trend is observed in Italy: over the past twenty years, the share of renewable generation has nearly tripled, while thermoelectric generation has decreased by over 40%. Gross efficient capacity in Italy reached 82 GW, up 44.3% compared to 2020, and more than 22

GW of new renewable capacity has already been contracted and is expected to come online in the coming years. The growth of renewable energy sources is contributing to strengthening the country's energy security, reducing Italy's energy dependence by approximately 9 percentage points between 2010 and 2024. However, the electricity system remains significantly exposed to gas price volatility, which in 2024 determined electricity prices for more than 60% of the hours. In this scenario, the network managed by Terna stands out for its high levels of efficiency, quality of service and safety. With one of the lowest transmission costs in Europe: 11.2 euro/MWh in 2024, compared with 12.1 euro/MWh in France, 15 euro/MWh in Spain and a European average of 16.5 euro/MWh. Terna's Ten-Year Development Plan envisages investments of 23 billion euro by 2034, aimed at increasing energy exchange capacity by approximately 15 GW and further strengthening cross-border interconnections. The unit cost per GW is also approximately half that observed in Germany, France and the United Kingdom. In the short to medium term, renewable energy sources therefore represent a key factor in strengthening energy security and containing energy costs, supported by their full technological and commercial maturity. In the medium to long term (2040-2050), it will become increasingly important to ensure a balanced mix of solar and wind energy, complemented by an estimated 10% to 15% contribution from low-emission dispatchable technologies, in order to guarantee the economic sustainability, stability and security of the electricity system.

Terna for International Women's Day

On 7 March 2026, in occasion of 8 March, International Women's Day, Terna reaffirmed its commitment to promoting female talent. In 2025, of over 800 new hires made by the group, approximately 36% (excluding operational roles) were women. Female representation within the group currently stands at approximately 26%, while 31% of managerial positions are held by women, demonstrating the company's commitment to recognising and valuing talent based on merit and competencies, without bias. Terna's People Strategy, a key component of the 2024-2028 Strategic Plan, places people at the centre and promotes a cultural transformation across all stages of the employee lifecycle, from recruitment and performance evaluation to leadership development. This approach has also been supported by the group Academy, which over the past two years has delivered more than 30,000 hours of training on topics such as inclusive language and overcoming stereotypes, including the programme "Breaking stereotypes: acting with respect", involving the entire workforce. Particular attention is devoted to STEM disciplines, which are essential to supporting the energy and digital transition. In fact, of the group's more than 7,100 employees, 2,300 hold STEM degrees, with a steadily increasing share of women among new hires. Terna has also launched and strengthened several external initiatives aimed at promoting women's participation in scientific fields. Among the main initiatives are the Boost Programme with Sistech, which provides scholarships to refugee women; the partnership with ELIS – Role Model; the collaboration with Valore D; and the "Girls@Polimi – Scholarships for Future Female Engineers" project. Alongside development and training policies, Terna continues to strengthen initiatives supporting families and work-life balance. In this regard, the group promotes flexible working arrangements, an enhanced smart working agreement, initiatives supporting parenthood, comprehensive welfare tools and services dedicated to psychological, physical and organisational wellbeing, also extended to employees' families. The group's Diversity & Inclusion policies also include certification and the 2024-2026 Gender Equality Strategic Plan, based on inclusive recruitment and leadership, pay equity, training and awareness, with the aim of fostering an increasingly inclusive and respectful working environment. Among the most recent initiatives is the opening of the "Nuvola Space" at the Rome headquarters, designed to support mothers returning to work during the breastfeeding period and to promote a better balance between work and maternity. Established family support initiatives also include the MiniWatt corporate nursery at the group's headquarters, dedicated to employees' children; in addition, for all parents of children aged 0 to 3 across Italy, a financial contribution of up to 60% of nursery fees is provided.

Launch of the authorisation process for the upgrading of the "Misterbianco–Villa Bellini" underground transmission line in Catania

On 9 March 2026, Terna announced the initiation of the authorisation process for the upgrading of the underground connection between the Misterbianco electrical substation and the Villa Bellini primary substation in the Municipality of Catania, and published the notice listing the relevant cadastral parcels. Terna will invest approximately 9 million euro, contributing to enhancing the reliability and efficiency of the electricity network in the Metropolitan Area of Catania. The new underground connection, approximately 1 km in length and located outside the urban centre, will be constructed using XLPE (cross-linked polyethylene) insulation and will adopt more advanced and sustainable technology. The operation involves the decommissioning of approximately 700 metres of cable installed in 1977 and commissioned in 1987, based on an obsolete fluid-filled oil system. The upgrading forms part of a broader programme of interventions aimed at improving the stability and efficiency of the local network, ensuring enhanced supply to the Acicastello and Catania Est substations.

Publication of the Board of Directors' and Board of Statutory Auditors' guidelines

On 9 March 2026, the document "Guidelines of the Board of Directors of TERNA S.p.A. to shareholders on the size and composition of the new Board of Directors", approved on 26 February 2026, was filed at Terna's registered office. The document "Guidelines of the Board of Statutory Auditors of TERNA S.p.A. on the composition and remuneration of the new Board of Statutory Auditors to be appointed by the Shareholders' Meeting", approved on 2 March 2026, was also filed.

Launch of the authorisation process for interventions on the electricity network in the Province of Milan

On 10 March 2026, following the initiation by the Ministry of Environment and Energy Security of the authorisation process for two interventions on the National Transmission Grid in the Province of Milan, Terna published a notice listing the cadastral parcels affected by the project. The project, for which Terna will invest approximately 80 million euro, aims to ensure electricity supply for future data centres in the north-west area of Milan. In the Municipality of Nerviano, a new electrical substation will be constructed, partly using compact gas-insulated technology with reduced land use. This solution involves the use of prefabricated modular components assembled within a civil structure, reducing the footprint of the substation by approximately 40% compared to traditional installations. The substation will be connected to the existing “Turbigio ST – Ospiate” line through two new overhead connections and will be integrated into the surrounding landscape through environmental mitigation measures, including the planting of a wooded buffer zone along its perimeter.

Commencement of pylon dismantling activities in the urban area of Trento

On 10 March 2026, Terna initiated the removal of transmission pylons crossing the urban area of Trento. A total of 12 km of overhead lines dating back to the 1940s will be dismantled, releasing approximately 35 hectares of land. The works will be carried out in two phases: more than half of the pylons envisaged by the project will be removed by April. The second phase, scheduled for the following year, will complete the dismantling activities and enable the recovery of significant quantities of materials for reuse through specialised operators. The intervention forms part of the reconfiguration of Terna’s 132 kV network in the Trento area, for which the Company, led by Giuseppina Di Foggia, has invested over 40 million euro. The new infrastructure will enhance the reliability of electricity supply to the city of Trento, minimise transmission losses and contribute to a reduction in CO₂ emissions. Terna’s Development Plan involves investments of approximately 1 billion euro in the Trentino-Alto Adige region over the next ten years.

Launch of the authorisation process for a new underground transmission line in the Province of Biella

On 11 March 2026, following the initiation by the Ministry of Environment and Energy Security of the authorisation process for the construction of an underground cable in the Biella area, Terna published a notice listing the cadastral parcels potentially affected by the project. The project, for which the Company led by Giuseppina Di Foggia will invest over 35 million euro, involves the construction of a transmission line between the “Biella Nord” and “Cerreto Castello” primary substations. The new infrastructure will complement the existing overhead lines with an underground supply connection that is less exposed to damage caused by extreme weather events. The 13 km connection will involve the municipalities of Biella, Quaregna Cerreto, Valdengo and Vigliano Biellese and will be constructed using XLPE (cross-linked polyethylene) insulated cables, a state-of-the-art technology ensuring high reliability, efficiency and sustainability.

Work continues on the link road between Lula and Galtelli in the Nuoro area

On 13 March 2026, Terna announced that work is continuing on the construction of the new 19-kilometre underground cable line that will connect the Lula and Galtelli substations in the province of Nuoro. The project, in which Terna has invested around €50 million, forms part of the measures to upgrade the local electricity grid and will improve its efficiency and safety. Work is proceeding according to schedule: the first phase of the works will be completed by June 2026, whilst the project is expected to be fully completed by the first half of 2027. To comply with safety standards, the carriageway will be narrowed during the works, with temporary alternating traffic flow, indicated by appropriate signage and traffic lights. To ensure the work is managed effectively, Terna is maintaining constant coordination with local authorities. Once the work is complete, the company will resurface the road along the entire length of the lane where the works have taken place.

Terna: Renewable energy production up 27.8% in February. Electricity consumption continues to rise

On March 18, 2026, it was reported that in February 2026, Italy’s electricity demand rose by 2.1% compared to the previous year, reaching 25.4 billion kWh. In the first two months of the year, the overall increase was 3.1%. Growth was uniform across the country. Renewable sources are expanding rapidly (+27.8%) and cover 37.9% of electricity demand. Wind power was the leading source for the month, surpassing solar and hydroelectric power, with a sharp increase due primarily to favorable weather conditions. Domestic production covers 83.5% of demand, while the remainder comes from abroad. Thermal and geothermal production declined. During the 2026 Milan-Cortina Winter Olympics, there was a sharp increase in consumption in the affected areas (+38%, with peaks of 50%), but the power system ensured stability thanks to investments of over 300 million euros. Industrial consumption continues to grow (+4.6%, the sixth consecutive month), with positive results particularly in the steel and ceramics sectors. Consumption in the services sector is also on the rise in 2025 (+2.9%).

The process for the “Maida-Rizziconi” power line in the Vibo Valentia area is underway

On March 19, 2026, Terna initiated the authorization process and convened the Services Conference for the construction of the “Maida-Rizziconi” power line variant within the municipality of Polia, in the province of Vibo Valentia. Following the extreme weather events that struck Calabria between January 18 and 21, 2026, causing a landslide near a line support, the company decided to modify the power line’s route in the municipality of Polia to move it away from unstable areas and reduce risks. The project involves the construction of three new towers and the demolition of three existing towers, with no impact on the rest of the line, and work is scheduled to take place between May and September 2026. The “Maida-Rizziconi” power line, a strategic infrastructure for the Southern Italy power system and for the connection to Sicily, will thus continue to ensure the safety and continuity of service. In the meantime, Terna has implemented safety measures and constant monitoring, working in coordination with local and regional authorities.

Approval Granted for the “Dobbiaco-Sesto” Underground Cable Link in the Province of Bolzano

On March 24, 2026, the Autonomous Province of Bolzano approved Terna’s project for the construction of the new “Dobbiaco-Sesto” underground connection, which will extend for approximately 10 km and connect the Dobbiaco Substation to the future Sesto Primary Substation. The connection, which will be completely underground, will minimize environmental impact and will be constructed using XLPE (extruded cross-linked polyethylene) insulated cables, a state-of-the-art technology capable of ensuring reliability, efficiency, and sustainability.

Green light for the underground installation of the “Pettino-Scoppito” power line in the province of L’Aquila

On March 25, 2026, the Ministry of the Environment and Energy Security approved Terna’s project to bury a power line in the municipality of L’Aquila and modernize the Pettino substation. The project, costing over 15 million euros, will help meet growing local energy demand while improving the efficiency and reliability of the service. The project involves the construction of an approximately 2-kilometer underground connection to replace the existing “Pettino-Scoppito” overhead line. Once the underground cable line is completed, it will be possible to proceed with the demolition of the corresponding overhead section, approximately 3 kilometers long, and the removal of 10 towers, thereby freeing up approximately 2 hectares of land. The project also includes the upgrading of the Pettino Substation through the renovation of an existing section, which will be housed within a new building, and the construction of a new section featuring Compact Switchgear Modules that require less space.

The conflict in the Middle East

Following the very recent developments in the international geopolitical context, and particularly the sudden escalation of tensions linked to military operations directly involving Iran, the United States and Israel, we report events that occurred after the end of the financial year, which do not give rise to adjustments to the figures in the financial statements.

The Group, which operates primarily in Italy and has no significant operational or financial exposure in the countries directly affected by the events mentioned above, has not identified any direct impact on its production activities, business or cash flows.

However, potential indirect effects remain attributable to the volatility of energy commodity prices, potential tensions in supply chains and general macroeconomic trends, such as inflation and the cost of capital, which are subject to constant monitoring by management.

At the date of preparation of these financial statements, and considering the regulated nature of the activities carried out, these factors do not indicate any impacts such as to compromise the going concern assumption or to require adjustments to the carrying amounts.

ITALGAS

Extraordinary transactions and tenders

On 15 January 2026, in Porto Tolle (Province of Rovigo), a new plant connecting the biomethane produced by the agricultural company Azienda Agricola Canella Giancarlo to the Italgas network entered into operation.

Legal and regulatory framework

With an order published on 27 January 2026, the TAR Friuli-Venezia Giulia rejected the precautionary request submitted by Italgas Reti seeking to suspend the tender for the concession of the gas distribution service in the Pordenone area. The Court found that the risks indicated by the company were not substantiated and excluded the existence of serious and

irreparable harm, noting that the timing of the proceedings will allow a decision on the merits before the deadline for the submission of bids (3 June 2026). The public hearing to discuss the appeal has been scheduled for 10 March 2026.

By Resolution No. 9/2026/R/gas, ARERA approved the amounts to cover the additional costs associated with the extension of the verification obligations for metering instruments incurred in 2018 and 2019 by distribution companies that submitted separate annual accounts under the ordinary unbundling regime.

On 20 February 2026, the “Energy Bills Decree” (Decree-Law of 20 February 2026 No. 21) was published in the Official Journal. The decree introduces a series of urgent measures aimed at containing energy costs for households and businesses. Among the measures is a 2% increase in IRAP applied to large operators in the energy sector, including gas distribution companies. This measure has been introduced to generate resources to finance bonuses and discounts on energy bills; the increase in IRAP is therefore configured as a temporary “energy tax”.

Disposal of a further 6 ATEMs completed in compliance with the AGCM resolution that authorized the acquisition of 2i Rete Gas

In compliance with the AGCM resolution that authorized the acquisition of 2i Rete Gas, it has finalized today the planned disposals of the gas distribution activities in the following 6 ATEMs:

- Massa Carrara and Viterbo to the temporary consortium (ATI) formed by Plures, Estra and Centria;
- Padova 2 and Padova 3 to Ascopiave;
- Brescia 5 to GP Infrastrutture;
- Roma 5 to Erogasmet.

Overall, 97,000 active redelivery points (meters), networks, plants, related personnel and net assets instrumental to the management of the service – previously transferred to four newly established companies – were sold for a total consideration of 121.1 million euro⁴⁶.

The disposals were carried out in compliance with what was communicated on 9 October 2025.

The disposal of the 6 ATEMs adds to the 4 already sold on 1 March, while the transfer of the activities relating to the 2 remaining ATEMs is expected by the end of the second quarter of 2026.

⁴⁶ Price subject to possible post-closing adjustments based on positive or negative balance settlements.

7. OTHER INFORMATION/

APPROVAL OF THE FINANCIAL STATEMENTS

As envisaged in art. 10.4 of CDP RETI S.p.A.'s Articles of Association, the Shareholders' Meeting called to approve the financial statements is convened within 180 days of the end of the financial year.

The use of this period of time compared to the ordinary 120 days from the end of the financial year, allowed by Article 2364, paragraph 2 of the Italian Civil Code, is justified by the fact that the Company is required to prepare consolidated financial statements⁴⁷.

TRANSACTIONS WITH RELATED PARTIES

With regard to transactions with subsidiaries, associates, parent companies and companies subject to the control of the latter, reference should be made to the notes to the consolidated financial statements, and specifically to the section "Transactions with related parties".

With specific regard to CDP RETI, it is worth noting that the transactions carried out in 2025, with the exception of the share capital increase, cannot be classified as either atypical or unusual⁴⁸, as they fall within the ordinary course of business. These transactions are carried out at arm's length conditions (i.e. under terms that would apply between two independent parties) and form part of the ordinary operations of CDP RETI.

During 2025, these transactions mainly concerned relationships with the parent company Cassa Depositi e Prestiti with reference to:

- an interest-bearing deposit account;
- an agreement for the custody and administration of securities;
- a free loan agreement;
- two Interest Rate Swap derivative contracts;
- the portion of bond loans issued in 2022 and 2024;
- outsourcing services provided by CDP to CDP RETI;
- the contracts of the CDP employees on partial secondment to CDP RETI;
- tax consolidation liabilities.

Furthermore, dividends related to the 2024 net income were collected from Snam, Terna, and Italgas, along with the receipt of the receivable from Snam for the 2024 interim dividend. Additionally, (i) the receivable from Snam for the 2025 interim dividend was recognised, (ii) the 2025 dividend advance from Terna was received, and (iii) the payment to CDP RETI's shareholders for both the 2024 dividend balance and the 2025 advance was made.

TREASURY SHARES

The **Parent Company** does not hold and has not purchased and/or sold, during 2025, shares or stakes of holding companies, either directly or via trust companies or intermediaries.

As of 31 December 2025, **Snam** held 5,066,394 treasury shares (compared to 6,461,439 shares on 31 December 2024), representing a value of approximately 22 million euro (27 million euro as at 31 December 2024). The reduction in the number of treasury shares compared with 31 December 2024 is attributable to: (i) the free allocation of 1,398,996 shares to Snam senior managers following the completion of the vesting period, as provided for under the 2020-2022 Long-term Share-based Incentive Plan, together with the simultaneous repurchase from the same beneficiary executives of 546,272

⁴⁷ Since its debt securities are traded in a public market, CDP RETI S.p.A. does not meet the requirements provided for by IFRS 10 - Consolidated Financial Statements for exemption from preparing consolidated financial statements. Moreover, CDP RETI's Articles of Association call for the preparation and approval by the Board of Directors of consolidated financial statements (within 120 days after the reporting date) and of the half-yearly report (within 90 days after 30 June of each period).

⁴⁸ In accordance with Consob Communication DEM/6064293 of 28 July 2006, atypical and/or unusual transactions means "those transactions which, through their significance/importance, the nature of the counterparties, the purposes of the transaction, the procedures for determining the transfer price and the timing of the event (proximity to the closure of the financial year) may give rise to doubts concerning: the accuracy/completeness of the information in the financial statements, conflicts of interest, protecting the company assets, protecting minority shareholders".

shares to cover the amount of taxes due by those beneficiaries; and (ii) the free allocation of 542,321 Welcome and Matching shares following the first subscription by employees of the Snam group to the broad-based employee share ownership plan "Noi Snam". On 14 May 2025, having revoked the part of the resolution that was not carried out with regard to the authorisation to purchase treasury shares, as adopted by the Ordinary Shareholders' Meeting on 7 May 2024, the Ordinary Shareholders' Meeting of Snam authorised the purchase of treasury shares through one or more leading intermediaries appointed by Snam S.p.A., for a maximum disbursement of 500 million euro and, in any case, up to a maximum limit of shares equal to 3.57% of the subscribed and paid-in capital to be carried out within 18 months from the date of the Ordinary Shareholders' Meeting in one or more tranches.

With regard to **Terna**, as at 31 December 2025 the number of treasury shares amounted to 4,294,627 (4,151,848 at the end of 2024), equal to 0.214% of the share capital, for a value of 34.3 million euro that reduces other reserves. More specifically, it should be noted that, in implementation of the treasury share purchase programme to service the new 2025-2029 Performance Share Plan approved by the Ordinary Shareholders' Meeting of 21 May 2025, during the period from 8 September 2025 to 16 September 2025, 1,060,499 treasury shares (equal to 0.053% of the share capital) were purchased for a total consideration of 9.0 million euro, in addition to those acquired in previous financial years. Furthermore, during the period from 21 May 2025 to 3 June 2025, Terna S.p.A. allocated 917,720 treasury shares to beneficiaries of the 2022-2026 Performance Share Plan, for a total value of approximately 6.1 million euro.

Italgas did not hold and did not purchase or sell, directly or indirectly, treasury shares of CDP RETI S.p.A. or Cassa Depositi e Prestiti S.p.A. in 2025.

PERFORMANCE OF SNAM, TERNA AND ITALGAS SHARES

Key share price data	SNAM		TERNA		ITALGAS		
	Items	31/12/2025	31/12/2024	31/12/2025	31/12/2024	31/12/2025	31/12/2024
Number of outstanding shares at the end of the period	(million of euro)	3,356	3,354	2,006	2,006	1,016	811
Official period-end price	(euro)	5.64	4.28	9.05	7.62	9.48	5.41
Market capitalization (1)	(million of euro)	18,942	14,354	18,155	15,286	9,632	4,385
CDP RETI Number of shares	(million of euro)	1,054	1,054	600	600	263	211
Book Value for CDP RETI	(million of euro)	3,087	3,087	1,315	1,315	886	621
Market capitalization for CDP RETI (2)	(million of euro)	5,948	4,509	5,431	4,572	2,498	1,139
Maximum official price per share	(euro)	5.77	4.88	9.17	8.19	9.71	5.84
Minimum official price per share	(euro)	4.25	4.14	7.61	7.22	5.05	4.59
Average official price per share	(euro)	5.03	4.41	8.49	7.69	7.16	5.20
Official price at period end (3)	(euro)	5.64	4.28	9.05	7.62	9.48	5.41
Closing price at period end (4)	(euro)	5.66	4.28	9.05	7.62	9.52	5.41

(1) Product of the number of outstanding shares (price number) for the official price per share at period end.

(2) Product of CDP RETI number of shares for the average official price per share.

(3) Average price, weighted for the relevant quantities, of all contracts concluded during the day.

(4) Price at which contracts are concluded at the closing auction.

The **Snam** share closed 2025 at an official price of 5.64 euro, representing an increase of 31.9% compared with the price of 4.28 euro recorded at the end of the previous year, with an all-time high of 5.77 euro on 2 December 2025 and a low of 4.25 euro on 20 January 2025. The closing price was 5.66 euro.

In 2025, approximately 1.7 billion shares were traded on the electronic market of Borsa Italiana, with an average daily trading volume of 6.9 million shares.

Market capitalisation stood at 18,942 million at 31 December 2025.

The **Terna** share closed 2025 at an official price of 9.05 euro, representing an increase of 18.8% compared with the price of 7.62 euro recorded at the end of the previous year, with an all-time high of 9.17 euro on 21 November 2025 and a low of 7.61 euro on 8 January 2025. The closing price was 9.05 euro.

In 2025, approximately 1 billion shares were traded on the electronic market of Borsa Italiana, with an average daily trading volume of 3.9 million shares.

Market capitalisation stood at 18,155 million at 31 December 2025.

The **Italgas** share closed 2025 at an official price of 9.48 euro, representing an increase of 75.5% compared with the price of 5.41 euro recorded at the end of the previous year, with an all-time high of 9.71 euro on 1 December 2025 and a low of 5.05 euro on 14 January 2025. The closing price was 9.52 euro.

In 2025, approximately 0.8 billion shares were traded on the electronic market of Borsa Italiana, with an average daily trading volume of 3.2 million shares.

Market capitalisation stood at 9,632 million at 31 December 2025.

RESEARCH AND DEVELOPMENT ACTIVITIES

Given the nature of its business, the Parent Company does not perform research and development activities.

SUSTAINABILITY REPORTING

In accordance with Article 2, paragraph 4, of Legislative Decree No. 125/2024 (the Decree), implementing Directive (EU) 2022/2464 (CSRD), CDP RETI is exempt from providing individual sustainability reporting as outlined in Article 3, paragraph 1, of the Decree, as it falls outside the scope of the Decree. In any case, even if CDP Reti were to qualify in the future as a "large enterprise" or "listed small and medium-sized enterprise" under the Decree, it would still not be required to prepare individual sustainability reporting, as the exemption under Article 7, paragraph 1, letter a) of the Decree would apply. In fact, given that CDP Reti is under the control and coordination of CDP, the information needed for its individual sustainability reporting would be included in the consolidated sustainability reporting of the parent company, CDP.

Moreover, CDP RETI is not required to prepare consolidated sustainability reporting according to Article 2 of the Decree⁴⁹, as it does not exercise control or coordination over any company.

SECONDARY OFFICES AND LOCAL UNITS

Starting from 4 September 2020, the local office of the Parent Company CDP RETI is at Via Alessandria 220 (00198 Rome).

SOCIAL AND ENVIRONMENTAL RESPONSIBILITY

HUMAN RESOURCES

During 2025, the Company appointed a new Co-Head of the Finance, Planning & Control Department, replacing the previous incumbent, and strengthened its workforce through the secondment of four resources to the Industry & Corporate Affairs and Operations functions.

In the field of health and safety, training and medical surveillance were carried out in 2025 in compliance with the provisions of Legislative Decree 81/08. Furthermore, maintenance audit procedures for ISO 45001 and ISO 14001 certifications were carried out, through which the INAIL [Italian Workers' Compensation Authority] rebate was requested and obtained.

There were no workplace injuries in 2025.

With regard to headcount, as at 31 December 2025, CDP Reti employed 5 resources, comprising 3 men and 2 women (of whom 1 on a fixed-term contract), all dedicated 100% to the Company. The Company has adopted National Collective Bargaining Agreements applicable to credit, financial and operating companies both for middle managers and personnel in professional areas and for executives.

The average age of the personnel is 42 years.

⁴⁹ "For the purpose of preparing the consolidated sustainability report, Cassa depositi e prestiti S.p.A. is required to make exclusive reference to information on the companies over which it exercises management and coordination, and the companies over which the latter exercise such activities, pursuant to and in accordance with Art. 2497 *et seq* of the Italian Civil Code, with the exception of subsidiaries of collective investment undertakings. The same principles are applied to companies under the control and coordination of the aforementioned for their own consolidated sustainability reporting."

8. REPORT ON CORPORATE GOVERNANCE AND OWNERSHIP STRUCTURE OF CDP RETI

pursuant to art. 123-bis, paragraph 2, letter b) of the Consolidated Law on Finance

ORGANISATION, MANAGEMENT AND CONTROL MODEL PURSUANT TO LEGISLATIVE DECREE NO. 231/01

CDP RETI has adopted an "Organisation, Management and Control Model" (hereinafter also referred to as the "231 Model" or "Model") drawn up pursuant to Legislative Decree 231/2001 (hereinafter also referred to as the "231 Decree" or "Decree"), which identifies the areas and business activities that are most exposed to the risk of criminal activities as defined in the Decree, as well as the principles, rules and regulations for the Internal Control System introduced to supervise significant operating activities. This document is the result of the assessment of the corporate structure and operations of CDP RETI, and has the primary purpose of providing the Company with a Model that constitutes a valid and effective organisational tool for preventing criminal activities pursuant to the 231 Decree and, consequently, constitutes an exemption from administrative liability in the event of predicate offences being committed by senior management, subordinates or persons acting on behalf of CDP RETI and in its name.

The 231 Model currently in force at CDP RETI was approved by the Board of Directors during the meeting held on 21 November 2023 and consists of a:

- General Section in which, after a reference to the principles of Decree 231, the essential components of the Model are illustrated with particular reference to: i) CDP RETI's Governance Model and Organisational Structure; ii) Supervisory Body (hereinafter also referred to as the "SB" for brevity); iii) Whistleblowing; iv) Disciplinary System defined as the set of measures to be adopted in the event of non-compliance with the provisions of the Model; v) training, dissemination of the Model and contractual clauses; vi) updating and amending the Model. The Model also consists of the following Annexes to this General Section:
 - "List and description of the administrative crimes and offences set forth in Italian Legislative Decree no. 231/2001", which provides a brief description of the administrative crimes and offences whose commission determines, on the basis of the conditions laid down by the Decree, the onset of the administrative liability of the Entity pursuant to and for the purposes of the aforementioned regulations;
 - "Information flows towards the Supervisory Body pursuant to Italian Legislative Decree no. 231/2001", which provides, for each relevant activity provided for in the CDP RETI 231 Model, the information that must be transmitted, with the relative frequency, to the SB. In particular, the information flows that are required from the corporate structures have been defined, based on a separation of general flows and specific flows, as well as indicating a flow structure for "exceptions". With reference to the last flow category, as part of the relevant activities pursuant to the 231 Decree, the company's organisational units are also required to communicate to the Supervisory Body the following: i) exceptions to the prescribed manner of performing the activities in question; ii) the activities performed and not formally established; iii) any other exceptions noted by the Key Officer;
- Special Section, which: i) identifies the relevant and operating activities, for the different types of crimes, for which, when performed, there is a theoretically potential risk of the commission of crimes; ii) describes, merely for educational purposes and by way of example and without limitation the methods of commission of the crimes deemed relevant for CDP RETI; and iii) indicates the safeguards and principles of the Internal Control System aimed at preventing the commission of the crimes.

The Code of Ethics establishes a set of principles, values, models and rules of conduct that are acknowledged, accepted and shared throughout the entire organisation, in conducting business. In particular, the document has a "Value oriented" configuration and comprises 5 inspirational values, represented by: i) Integrity, ii) Inclusion, iii) Environmental Responsibility, iv) Impact, v) Skills. The Code of Ethics values are binding for the members of the Corporate Bodies (Directors, Statutory Auditors and any other member of collegiate bodies), for employees, collaborators, consultants, suppliers, partners, business counterparties and, in general, for all third parties acting on behalf of the Company regardless of the legal relationship that binds them to it.

The current Code of Ethics was approved by the Parent Company's Board of Directors in the meeting on 9 May 2024 and was subsequently adopted by the CDP RETI Board in the meeting on 14 June 2024.

In compliance with the provisions of Article 6, paragraph 4-bis of the Decree, the functions of the Supervisory Body have been assigned to the Board of Statutory Auditors, a collegiate body composed of three standing members, and two alternates, appointed by the Shareholders' Meeting. The Chairman of the Board of Statutory Auditors acts as Chairman of the SB.

The Supervisory Body currently in office was appointed by the Board of Directors of CDP Reti on 25 January 2021. It remains in office *in prorogatio* and continues to perform its duties in line with the provisions of the General Section of the applicable 231 Model. Members of the Supervisory Body are subject to the same conditions of ineligibility and disqualification as those established for statutory auditors under the applicable statutory and regulatory framework in force at the time.

The Supervisory Body is entrusted with supervising the operation of and compliance with the 231 Model, directing proposals for updating it to the competent bodies/functions, supervising the functional activities for this purpose, and also with analysing ordinary and extraordinary information flows sent by corporate and Parent Company entities, for the areas under their responsibility. The functioning of the SB is established in the specific Regulation that it adopts.

For its secretarial and operational activities, the SB is supported by the Internal Audit Function outsourced to the Parent Company based on a specific service agreement.

The CDP RETI 231 Model, the Code of Ethics, and the Group's Anti-Corruption Policies are available in the "COMPANY NOTICE BOARD" network folder.

The General Part of the CDP RETI 231 Model, the Code of Ethics and the Group Policy on Anti-Corruption are also available both in Italian and in English on the Company's institutional webpage. Finally, it should be noted that CDP RETI periodically delivers training to its staff on the administrative liability regime applicable to entities, in order to ensure adequate knowledge, understanding and application of 231 Model.

KEY CHARACTERISTICS OF THE RISK AND INTERNAL CONTROL MANAGEMENT SYSTEMS WITH REGARD TO THE FINANCIAL REPORTING PROCESS

CDP RETI is aware that financial reporting plays a central role in establishing and maintaining positive relationships between the Company and its stakeholders. The internal control system, which oversees the company's reporting processes, is set up in such a way as to ensure that reporting is reliable⁵⁰, accurate⁵¹, dependable⁵² and timely regarding Financial Reporting and the ability of relevant company processes on this point to produce this information in compliance with the applicable accounting standards.

The company's control system is structured to comply with the model adopted in the CoSO Report⁵³, an international reference model for the establishment, update, analysis and assessment of the internal control system. This model requires the achievement of the business objectives as a result of the integrated presence and correct operation of the following elements that, based on their characteristics, operate at organisational unit level and/or operating/administrative process level:

- A suitable control environment, meaning the set of standards of conduct, processes and structures underlying the execution of the organisation's internal control process.
- Appropriate risk assessment, requiring that risks be suitably identified, documented and classified based on relevance.
- The planning and performance of suitable control activities, such as policies and procedures adopted to mitigate (i.e. reduce to an acceptable level) the identified risks which may compromise the achievement of the business objectives.
- The presence of a suitable information system and adequate communication flows that guarantee the exchange of relevant information between senior executives and the operational functions (and vice versa).
- The planning of suitable monitoring activities to verify the effectiveness and correct operation of the internal control system.

In line with the adopted model, the controls are monitored on a periodic basis in order to assess their operational effectiveness and efficiency over time.

The internal control system for financial reporting has been structured and applied according to a risk-based approach, in relation to the potential impacts on the financial reporting.

CDP Reti follows the group Policy that defines the methodological framework and operational instruments that the parent Company, CDP, and the CDP group companies are required to comply with for the application of Law 262/05, for the purposes of both individual and consolidated company reporting. The control model is based on an initial company-wide analysis of the control system in order to verify that the environment is, generally speaking, organised to reduce the risk of error or improper conduct with regard to the disclosure of accounting and financial information.

This analysis is undertaken by verifying the presence of elements, ranging from adequate governance systems to ethical and integrity-based standards of conduct, effective organisational structures, clear assignment of powers and responsibilities, an appropriate risk management policy, disciplinary systems for personnel, and effective codes of conduct.

⁵⁰ Reliability (of reporting): correct reporting drafted in compliance with the generally accepted accounting standards, which meets the requirements of applicable laws and regulations.

⁵¹ Accuracy (of reporting): reporting with no errors.

⁵² Dependability (of reporting): correct and complete reporting based on which investors may make informed investment decisions.

⁵³ Committee of Sponsoring Organizations of the Treadway Commission.

At the process level, the approach consists of an assessment phase to identify specific potential risks which, if the risk event were to occur, could prevent the rapid and accurate identification, measurement, processing and representation of corporate events in the accounts. This process involves the development of risk and control association matrices that are used to analyse processes on the basis of their risk profiles and the associated control activities.

The process level analysis is structured as follows:

- an initial phase for the identification of the potential risks and the definition of the control objectives in order to mitigate those risks;
- the second phase involving the identification and assessment of the controls designed to mitigate potential risks (Test of Design – ToD);
- a third phase consisting of the identification of areas of improvement identified for the control.

Monitoring the effective operation of the control system is another key component of the CoSO Report framework. This activity is carried out on a regular basis, addressing the periods covered by the reporting.

The monitoring phase in CDP RETI is structured as follows:

- sampling of the items to be tested;
- test execution (Test of Effectiveness – ToE);
- weighting of any anomalies detected and related assessment.

Based on the potential risk identified and taking into account the results of the overall assessment of the control (ToD+ToE), the “residual risk” is obtained, which represents the qualitative measurement of the risk that the company is exposed to in relation to the actual implementation of the controls identified.

The residual risk is measured based on the following formula:

$$RI - OA = RR$$

where: *RI* = potential risk index derived from the combination of risk weight and frequency;
OA = overall assessment of controls;
RR = residual risk index.

The assessment of the controls reduces the value of the potential risk index, based on predefined percentages.

If anomalies are found in the ToDs and ToEs, a plan of corrective actions is produced and the anomalies are reported to the process owners, providing:

- a detailed description of the anomaly detected;
- the corrective action proposals identified, specifying: the deadline for implementation, the priority and the offices responsible.

After the phase of consultation and agreement with the controls and process owners, the actual implementation of the measures established to resolve the anomaly is monitored.

To enable the Financial Reporting Manager and the management bodies of the CDP RETI Group to issue the certification pursuant to Article 154-bis of the Consolidated Law on Finance, it was necessary to establish an intercompany “chain” certification system, regarding the data and information provided for the preparation of the consolidated financial statements of the CDP RETI Group.

INDEPENDENT AUDITORS

The financial statements of CDP RETI are audited by the Independent Auditors Deloitte & Touche S.p.A., which are responsible for verifying, during the year, that the company accounts have been properly kept and that the accounting events have been recorded correctly in the accounting entries, and ascertaining that the financial statements for the year and the consolidated financial statements match the accounting books and the provisions made, and that said documents comply with supervisory provisions.

The independent auditors issue an opinion on the Parent company and consolidated financial statements, and on the half-yearly financial report.

The independent auditors are appointed by the Shareholders’ Meeting in ordinary session, acting on a reasoned proposal put forward by the control body.

Pursuant to the resolution of the Shareholders’ Meeting dated 10 May 2019, the Independent Auditors Deloitte & Touche S.p.A. was entrusted the auditing mandate for the 2020-2028 period.

FINANCIAL REPORTING MANAGER

Following the issue of bonds listed on the Irish Stock Exchange, CDP RETI assumed the position of listed Issuer with Italy as the Member State of origin, and is therefore obliged, pursuant to Art. 154 – bis of the Consolidated Law on Finance, to appoint a Financial Reporting Manager.

With reference to the experience requirements and methods for appointing and substituting the Financial Reporting Manager, the provisions of Article 19.13 of CDP RETI Articles of Association are reported below.

Article 19.13 CDP RETI Articles of Association:

Subject to the prior opinion of the Board of Statutory Auditors, the Board of Directors appoints the Financial Reporting Manager for a period of time not shorter than the term of office of the Board and not longer than six financial years, to perform the duties assigned to such manager under Article 154-bis of Legislative Decree no. 58 of 24 February 1998. The Financial Reporting Manager must meet the integrity requirements established for the directors and cannot hold the offices indicated in Article 15.11 of the Articles of Association⁵⁴. The Financial Reporting Manager shall be chosen in accordance with criteria of professional experience and competence from among the persons who have global experience of at least three years in the administrative area at consulting firms or companies or professional firms. The Financial Reporting Manager can be replaced by the Board of Directors only for due cause, having obtained the prior opinion of the Board of Statutory Auditors. The appointment of the Financial Reporting Manager shall lapse if such manager does not continue to meet the requirements for the office. The Board of Directors shall declare such lapse within thirty days from the date on which they become aware of the supervening failure to meet the requirements.

In order to provide the Financial Reporting Manager with adequate means and powers, proportionate to the nature and complexity of the activities performed and to the size of the Company, and to enable the effective performance of the assigned duties, including interaction and coordination with the other corporate bodies, the Board of Directors approved the “Internal Regulation governing the role of the Financial reporting manager”.

In short, the Financial Reporting Manager is required to certify, jointly with the Chief Executive Officer and through a specific report attached to the financial statements for the year, the consolidated financial statements and the half-yearly report:

- the adequacy and the actual application of the administrative and accounting procedures for the preparation of the condensed half-yearly report, the separate financial statements and the consolidated financial statements;
- the compliance of the documents with IFRS;
- the matching of the documents with the accounting books and records;
- that the documents are suitable to provide a true and fair view of the financial position, performance and cash flows of the issuer and the companies included in the scope of consolidation;
- the reliability of the content of the report on operations and the interim report on operations.

In order to guarantee an effective, systematic and prompt flow of information, the Financial Reporting Manager periodically reports to the Board of Directors with regard to any critical issues that have arisen in performing his/her tasks, any plans and actions established to overcome any issues found, and, in general, the suitability of the administration and accounting internal control system.

The Financial Reporting Manager informs without delay the Board of Statutory Auditors about possible anomalies, deficiencies and critical issues regarding the administrative/accounting system, when deemed to be particularly relevant. Moreover, upon request of the Board of Statutory Auditors, he/she provides information and assistance by taking part in the meeting of the Board when invited.

The Financial Reporting Manager liaises with the Independent Auditors in order to establish constant communication and exchange the information regarding the assessment and effectiveness of the controls regarding the administrative and accounting processes.

INSIDER REGISTER

CDP RETI has established the “Register of persons with access to CDP RETI inside information” (hereinafter the “Register”) in compliance with the requirements of European Regulation no. 596/2014 (and the related implementing regulations), which includes the reference regulatory framework concerning market abuse.

The Register - which has been established by CDP RETI as an issuer of debt securities traded on regulated markets - is divided into separate sections, one for each piece of inside information, and a new section is added to the Register each time a new piece of inside information is identified. Each section of the Register only reports the details of the people with access to the inside information contemplated in the section. There is also an additional section in the Register which contains the details of people who always have access to all inside information (“Permanent Access Holders”). The Register is maintained through a specific IT application, with security measures in terms of availability and integrity of the

⁵⁴ Not entitled to hold any office in the management or control bodies, or management positions in ENI S.p.A. and its subsidiaries, or to have any direct or indirect relationship of a professional or financial nature with those companies.

data present, and the annotations in the application are made, for each section, in chronological order. Each note is tracked and cannot be changed.

The establishment and management of the Register are governed by internal CDP RETI rules also establishing the regulations and procedures for keeping and updating the Register.

CODE OF ETHICS

Also with regard to its vision of social and environmental responsibility, CDP RETI has adopted specific principles of conduct by implementing the "Code of Ethics of Cassa Depositi e Prestiti S.p.A. and of the Companies subject to management and coordination".

The purpose of the Code of Ethics is to declare and disseminate the values and rules of conduct the Company intends to refer to in the performance of its business activities. The Code governs all the rights, duties and responsibilities that the Company expressly assumes with respect to the stakeholders it interacts with in the course of its business.

The set of ethical principles and values expressed in the Code of Ethics must guide the activities of all those who operate in any way in the interest of the Company.

INTERNAL CONTROL SYSTEM

CDP RETI has developed an internal control system consisting of a set of controls, rules, procedures, structures, resources and processes, aimed at identifying, measuring or assessing, monitoring, preventing or mitigating, and communicating in a timely manner to the appropriate levels all the risks taken or that may be taken by the various operating segments within which it conducts its business, as well as ensuring compliance with the relevant regulations, compliance with corporate strategies (including sustainability strategies) and the achievement of the objectives set by Management.

Therefore, the internal control system aims to ensure, in compliance with a sound and prudent management approach, the achievement of the following goals:

- to verify the implementation of corporate strategies and policies;
- to monitor that all risks are within the acceptable limits indicated in the reference framework for determining the company's risk appetite;
- to safeguard the value of assets and to protect against losses;
- to guarantee the effectiveness and efficiency of corporate processes;
- to ensure the reliability and security of corporate information and of its IT procedures;
- to prevent the risk that the company is involved, even involuntarily, in unlawful activities;
- to ensure the compliance of operations with the law and industry regulations, as well as internal policies, regulations and procedures.

The internal control system has been devised on three levels of control and is based on industry laws and regulations and applicable best practices, including the recommendations issued by the reference international organisation for the internal auditing profession such as the Institute of Internal Auditors (IIA).

First level controls (or line controls) are conducted by operational, administrative and business structures (so-called "First-level control functions"). These controls are built into organisational procedures and are designed to ensure that operations are carried out correctly, within the assigned risk limits and objectives.

Second level controls (risk management controls) are carried out by separate organisational units and are designed to contribute to the definition of the risk measurement methodologies, verify that the operational limits set for the various departments are respected, verify that operational activities and results achieved by production units comply with their allocated risk objectives and performance targets, and to ensure that the risk governance policies are properly implemented and that the activities and internal rules comply with applicable laws and regulations. The functions responsible for these controls (so-called "Second-level control functions") include the risk control function (risk management) and the compliance function (compliance), for which CDP Reti uses outsourcing contracts with the parent Company Cassa Depositi e Prestiti S.p.A. There are also corporate bodies, i.e. specific functions with control tasks, as dictated by law and self-regulatory sources, such as the Supervisory Body⁵⁵ and the Financial Reporting Manager⁵⁶.

Third-level controls are performed by Internal Audit (so-called "Third-level control function"). Internal Audit is an independent and objective function that pursues the continuous improvement of the effectiveness and efficiency of CDP Reti's governance, risk management and control processes, by means of professional and systematic supervision, contributing towards protecting and increasing the value of the Company and the Group.

⁵⁵ Pursuant to Legislative Decree no. 231/2001.

⁵⁶ Pursuant to Legislative Decree no. 262/2005.

In carrying out its activities, this function evaluates the effective functioning of business processes, the protection of company assets, the reliability and integrity of accounting and management information, as well as compliance with applicable internal and external regulations (including the Code of Ethics) and management guidelines. The outcomes of the reviews and any potential improvements to the internal control system are reported to Management, the Board of Statutory Auditors, the Supervisory Body, the Chairman and the Chief Executive Officer, with particular emphasis on risk management policies, risk measurement tools and corporate procedures. It also promotes in the Company a culture of risk and control management.

Internal Audit reports hierarchically to the Board of Directors, which oversees and coordinates its work through the Chairman, and approves the Internal Audit Charter. The Charter includes the Mandate, which sets out the objectives, authority, role and responsibilities of the function, the requirements for independence and its organisational placement, the scope of its activities, the types of services it delivers, and its relationships with other company departments and with the Function's external stakeholders. Furthermore, is guaranteed the necessary link between Internal Audit, the body responsible for the management function, and Management.

The Company's Board of Directors, as part of the outsourcing to the parent Company of some auxiliary services (so called, service agreements), including Internal Audit, starting from 20 March 2017 appointed a Chief Audit Officer of CDP Reti, a resource belonging to the Internal Audit Department of the parent Company Cassa Depositi e Prestiti S.p.A.

In order to carry out its activities, Internal Audit prepares an annual audit plan that defines the activities to be performed and the objectives to be pursued, according to a risk-based logic aimed at determining the priorities of intervention based on the level of risk identified for each corporate process and also on the basis of discussions with other corporate control functions. The plan also takes into account any information from the Chairman of the Board of Directors, Chief Executive Officer and from the other Corporate Bodies, and is subject to a resolution for approval by the Board of Directors.

Issues identified during each audit are immediately reported to the relevant organisational units so that they can implement the necessary corrective actions and are subject to ongoing monitoring by Internal Audit.

Furthermore, Internal Audit provides half-yearly reports to the Board of Directors, the Board of Statutory Auditors and the Supervisory Body on the implementation and results of the activities included in the audit plan, the principal deficiencies identified and the progress of the corrective actions adopted. It also brings to attention any risks that may remain inadequately mitigated as a result of missing or ineffective remediation of the anomalies identified during audit work.

On annual basis, the Internal Audit function provides an independent and objective assessment of the completeness, adequacy, functionality (in terms of effectiveness and efficiency) and reliability of the overall internal control system of CDP Reti, based on the international reference model "Internal Controls - Integrated Framework" issued by the Committee of Sponsoring Organisations of the Treadway Commission (so called, the CoSO Report 2013), and also taking into account environmental, social and governance (ESG) risks in accordance with the CoSO ERM ESG-related risk and with the CoSO Internal Control over Sustainability Reporting.

The Internal Audit also ensures the necessary technical support for the activities of the Supervisory Body, envisaged in Article 6, paragraph 1, letter b) of Legislative Decree no. 231/2001.

In addition to assurance services, Internal Audit can also provide consulting, insights, and forecasts at the request of the Corporate Bodies and Management with the aim of improving risk management and controls, adding value, and enhancing the organisation's operations, without assuming managerial responsibilities to avoid any potential compromise of its independence and objectivity.

Internal Audit and Second-level control functions cooperate to share the different perspectives on risks and controls in order to provide the Corporate Bodies with a representation as accurate as possible of the overall level of risk, coordinate annual activity plans and exchange information on critical issues, inefficiencies, weaknesses or irregularities identified in their respective control activities. Cooperation between these functions is intended to develop synergies and avoid overlaps, while ensuring adequate coverage of control objectives.

SHAREHOLDERS' AGREEMENT IN RESPECT OF ITALGAS SHARES

On 20 October 2016, CDP Reti S.p.A. ("**CDP Reti**"), CDP Gas S.r.l. ("**CDP Gas**") and Snam S.p.A. ("**Snam**") signed a shareholders' agreement ("**Italgas Shareholders' Agreement**") in respect of all the shares which each of them would hold in Italgas S.p.A. ("**Italgas**" or the "**Company**") subsequent to and starting from the effective date of the partial and proportional spin-off of Snam into Italgas and the concurrent listing of Italgas shares on the stock exchange, i.e. from 7 November 2016 ("**Effective Date of the Spin-off**").

The Italgas Shareholders' Agreement governs, inter alia: the exercise of voting rights conferred by shares tied to the shareholders' agreement; (ii) the set-up of an advisory committee; (iii) the obligations and the methods of presentation of

joint lists for the appointment of the Company's Board of Directors; and (iv) restrictions on the sale and purchase of Italgas shares.

The merger by incorporation of CDP Gas INTO CDP became effective on 1 May 2017. As of that date, CDP became the owner of the Italgas shares previously owned by CDP Gas and replaced CDP Gas in the Italgas Shareholders' Agreement for all intents and purposes.

On 19 May 2017, CDP transferred to CDP Reti, *inter alia*, its entire shareholding in Italgas, resulting from the aforementioned merger, comprising 7,840,127 ordinary shares in Italgas. As a result of the foregoing transfer: (i) the total number of Italgas shares held by CDP Reti - and locked into the Italgas Shareholders' Agreement by CDP Reti - increased to 210,738,424 ordinary shares in Italgas, and (ii) CDP ceased to be a party to the Italgas Shareholders' Agreement, which continues in full force and effect only between CDP Reti and Snam.

On 1 August 2019, the Board of Directors of CDP reclassified its equity investment in Snam and Italgas as de facto control pursuant to Article 2359, paragraph 1, no. 2) of the Italian Civil Code and Article 93 of the Consolidated Law on Finance.

Further to the determination of de facto control pursuant to the Italian Civil Code and the Consolidated Law on Finance, CDP and CDP Reti continue not to exercise management and coordination activities pursuant to Articles 2497 et seq. of the Italian Civil Code with respect to Snam and Italgas.

On 21 March 2023, the parties entered into an initial amendment agreement to the Italgas Shareholders' Agreement, in order to allow limited specific cases of transfer of part of the Italgas shares held by Snam, provided that Snam's shareholding in Italgas does not fall below 6.75% of Italgas' total share capital.

Subsequently, on 14 April 2025, the parties entered into a further amendment agreement to the Italgas Shareholders' Agreement in order to allow: (i) an additional specific circumstance permitting the transfer of part of the Italgas shares held by Snam, it being understood that under no circumstances may Snam's shareholding in Italgas fall below 6.75% of Italgas' total share capital; and (ii) a waiver from the restrictions on the acquisition by Snam of additional Italgas shares, applicable exclusively in the case of capital increases without the exclusion of pre-emptive rights.

Following the capital increase of Italgas approved by the shareholders' meeting on 10 April 2025, aimed at refinancing the acquisition by Italgas of 2i Rete Gas S.p.A., the number of shares contributed to the Italgas Shareholders' Agreement amounts to 379,127,274 ordinary shares, representing, as at 31 December 2025, 37.333% of Italgas' voting share capital, of which 25.940% held by CDP Reti and 11.394% held by Snam.

The Italgas Shareholders' Agreement has a term of three years, with the possibility of automatic renewal for additional three-year periods starting from the Effective Date of the spin-off, unless either party exercises its right to terminate the Italgas Shareholders' Agreement with 12 months' notice. In the event that Snam expresses its intention not to renew the Italgas Shareholders' Agreement, CDP Reti may exercise a call option to purchase Snam's shareholding at the fair market value of such shareholding within 9 (nine) months from Snam's notice of withdrawal from the Italgas Shareholders' Agreement.

The Italgas Shareholders' Agreement contains provisions that are relevant pursuant to Article 122, paragraphs 1 and 5 of the Consolidated Law on Finance and therefore qualifies as a voting and lock-up agreement. The Italgas Shareholders' Agreement will therefore be subject to the disclosure obligations set out in Article 122, paragraph 1 of the Consolidated Law on Finance and its implementing provisions.

For further details, see the key information published on the Italgas and Consob websites in relation to the Italgas Shareholders' Agreement.

SHAREHOLDERS' AGREEMENT IN RESPECT OF CDP RETI, SNAM, TERNA AND ITALGAS SHARES

CDP, SGEL and State Grid International Development Limited⁵⁷ (so called, "**SGID**") are parties to a shareholders' agreement entered into when a stake of 35% in CDP Reti was transferred to SGEL on 27 November 2014 ("**SGEL Shareholders' Agreement**"). CDP and SGEL transferred their stakes in the share capital of CDP Reti to the SGEL Shareholders' Agreement, representing a total of 94.10% of the share capital.

The SGEL Shareholders' Agreement provides SGEL with governance rights in order to protect its investment in CDP Reti. In detail, it contains provisions on the exercise of voting rights and clauses restricting the transfer of shares pursuant to article 122, paragraph 1 and paragraph 5, letter b) of the Consolidated Law on Finance. The SGEL Shareholders' Agreement also contains provisions regarding the governance of CDP Reti, Snam, TERNA S.p.A. ("**Terna**") and Italgas.

⁵⁷ State Grid International Development Limited owns the entire capital of SGEL.

A summary of the amendments made to the SGEL Shareholders' Agreement over time is provided below.

- A. On 19 December 2014, CDP completed the transfer to Snam of the equity investment in TRANS AUSTRIA GASLEITUNG GmbH ("**TAG**"), which it held via CDP Gas. The transaction was linked to an increase in the share capital of Snam reserved to CDP Gas, which was paid for by means of the transfer of the aforementioned equity investment by CDP GAS (which consequently became the holder of 119,000,000.00 ordinary shares of Snam, equal to a stake of 3.4% in Snam's share capital). As a result, CDP RETI's equity investment in Snam, albeit consisting of 1,014,491,489 shares, was no longer equivalent to 30% of Snam's share capital but represented around 28.98% as of 19 December 2014.
- B. Subsequently, on 7 November 2016, (i) a spin-off was completed for the transfer of Snam's equity investment in Italgas Reti S.p.A. to Italgas and, at the same time, (ii) the Italgas shares were officially listed on the stock exchange. As a result of the foregoing transaction, CDP RETI became the holder of a 25.076% equity investment in the share capital of Italgas. Consequently, in order to: a) reflect the new corporate structure of the group headed by CDP RETI; b) extend the applicability of the provisions of the SGEL Shareholders' Agreement also to the new investee Italgas, and c) align the provisions of the SGEL Shareholders' Agreement with the provisions of the Italgas Shareholders' Agreement (with particular regard to the Consultation Committee), CDP, SGEL and SGID amended and supplemented the provisions of the SGEL Shareholders' Agreement with effect from 7 November 2016.
- C. To conclude, the merger by incorporation of CDP GAS into CDP became effective on 1 May 2017 and, as of that date, CDP is the owner of the Snam and Italgas shares previously owned by CDP GAS and replaced CDP GAS in the Italgas Shareholders' Agreement for all intents and purposes. On 19 May 2017, CDP therefore transferred to CDP RETI the entire equity investment in Italgas (0.969% of Italgas share capital) and the entire equity investment in Snam (1.120% of Snam share capital), which it held subsequent to and as an effect of the aforementioned merger by incorporation of CDP GAS (which was not tied to the SGEL Shareholders' Agreement).

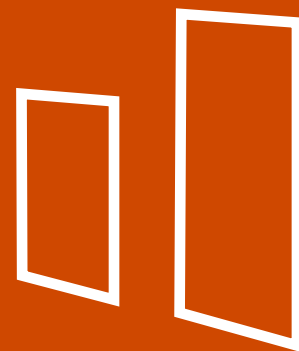
According to the above, it should be noted that:

- as a result of, and with effect from the date of, the transfer to CDP RETI of the shareholding held by CDP in Italgas, consisting of 7,840,127 ordinary shares, representing 0.969% of Italgas' voting share capital, the total number of Italgas shares held by CDP RETI and contributed by it to the SGEL Shareholders' Agreement, and therefore the total number of Italgas shares subject to the SGEL Shareholders' Agreement, increased to 210,738,424 ordinary shares in Italgas. following the capital increase of Italgas approved by the shareholders' meeting on 10 April 2025, aimed at refinancing the acquisition by Italgas of 2i Rete Gas S.p.A., the total number of Italgas shares subject to the SGEL Shareholders' Agreement is now 263,423,030 ordinary shares, representing, as at 31 December 2025, 25.940% of Italgas' voting share capital.
- pursuant to and with effect from the date of transfer to CDP RETI of CDP's equity investment in Snam, equal to 39,200,638 ordinary shares (representing 1.120% of the Snam share capital with voting rights), the total number of Snam shares owned by CDP RETI and locked into the SGEL Shareholders' Agreement by it – and, hence, the total number of Snam shares tied to the SGEL Shareholders' Agreement – has increased to a total of 1,053,692,127 ordinary shares of Snam, representing 31.352% of the Snam share capital with voting rights as at 31 December 2025.
- the number of Terna shares tied to the SGEL Shareholders' Agreement has not changed and is equal to 599,999,999 ordinary shares, held by CDP RETI, representing 29.851% of the Terna share capital with voting rights as at 31 December 2025.

The SGEL Shareholders' Agreement has a term of three years from the signing date and is automatically renewed for a further term of three years, unless terminated by one of the parties.

For further details, see the key information published in relation to the SGEL Shareholders' Agreement on the websites of the investee companies Snam, Terna and Italgas, as well as on the website of Consob.

2 CONSOLIDATED FINANCIAL STATEMENTS 2025



*Consolidated financial statements
at 31 December 2025*

Notes to the consolidated financial statements

Annexes

Report of the independent auditors

*Certification of the consolidated financial
statements*

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FORM AND CONTENT OF THE CONSOLIDATED FINANCIAL STATEMENTS

The consolidated financial statements at 31 December 2025 have been prepared in accordance with the International Financial Reporting Standards (IFRS) and consist of:

- Consolidated Balance Sheet
- Consolidated Income Statement
- Consolidated Statement of Comprehensive Income
- Statement of Changes in Consolidated Equity
- Consolidated Statement of Cash Flows
- Notes to the consolidated financial statements

The Notes to the consolidated financial statements consist of:

- Introduction
- I - Basis of presentation and accounting policies
- II - Information on the Consolidated Balance Sheet
- III - Information on the Consolidated Income Statement
- IV - Business combinations
- V - Transactions with related parties
- VI - Financial risk management
- VII - Share-based payments
- VIII - Operating segments
- IX - Guarantees and commitments
- X – Disclosure of Leases

The following are also included:

- Annexes
- Certification of the consolidated financial statements pursuant to article 154-bis of Legislative Decree 58/98 and to article 81-ter of Consob Regulation 11971/1999
- Independent Auditor's Report

The “Annexes”, which are an integral part of the consolidated financial statements, include the consolidation scope and the information provided with reference to the obligations introduced concerning the transparency of public funds by Law no. 124 of 4 August 2017.

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CONSOLIDATED FINANCIAL STATEMENTS AT 31 DECEMBER 2025

CONSOLIDATED BALANCE SHEET

ASSETS

(thousands of euro)

Assets items	Notes	31/12/2025	of which from related parties	31/12/2024	of which from related parties
NON-CURRENT ASSETS					
Property, plant and equipment	1	48,282,188	18	44,121,212	46
Inventories - compulsory stock	2	397,367		362,713	
Intangible assets	3	19,386,127		12,807,237	
Equity investments	4	3,026,739		3,169,083	
Non-current financial assets	5	932,640	5,279	886,252	1,207
Deferred tax assets	6	1,469,274		1,067,045	
Other non-current assets	7	998,322		1,433,709	
Total non-current assets		74,492,657	5,297	63,847,251	1,253
Non-current assets held for sale	8	296,122		20,767	
CURRENT ASSETS					
Current financial assets	9	1,153,497	76,197	813,176	98,286
Income tax receivables	10	100,846		45,348	
Trade receivables	11	7,141,762	1,380,884	7,160,273	1,162,877
Inventories	12	2,294,570		2,355,453	
Other current assets	13	1,603,277	13	1,432,371	36
Cash and cash equivalents	14	4,103,509	83,697	4,628,191	85,678
Total current assets		16,397,461	1,540,791	16,434,812	1,346,877
TOTAL ASSETS		91,186,240	1,546,088	80,302,830	1,348,130

LIABILITIES AND EQUITY

(thousands of euro)

Liabilities and equity items	Notes	31/12/2025	of which from related parties	31/12/2024(*)	of which from related parties
EQUITY	15				
Share capital		166		162	
Issue premium		1,581,084		1,315,158	
Retained earnings		1,597,886		1,406,081	
Other reserves		2,029,921		2,029,921	
Valuation reserves		38,384		19,874	
Interim dividend		(393,816)		(361,866)	
Net income for the year (+/-)		742,329		732,808	
Group equity	15 a	5,595,954		5,142,138	
Non-controlling interests	15 b	17,385,696		16,195,665	
Total Equity		22,981,650		21,337,803	
NON-CURRENT LIABILITIES					
Provisions for risks and charges	16	1,334,551		1,135,107	
Provisions for employee benefits	17	161,634		153,129	
Loans	18	40,462,009	1,476,453	34,108,250	912,147
Other non-current financial liabilities	19	465,819		100,544	
Deferred tax liabilities	20	2,134,791		1,861,311	
Other non-current liabilities	21	3,270,795		2,455,862	
Total non-current liabilities		47,829,599	1,476,453	39,814,203	912,147
Liabilities directly associated with non-current assets held for sale	22	46,434		151	
CURRENT LIABILITIES					
Current portion of long-term loans	23	5,518,423	461	2,966,736	
Trade payables	24	5,303,765	739,022	4,761,403	811,983
Income tax liabilities	25	59,508		205,942	
Current financial liabilities	26	2,211,593		4,040,770	35
Other current liabilities	27	7,235,268	52,514	7,175,822	57,335
Total current liabilities		20,328,557	791,997	19,150,673	869,353
TOTAL LIABILITIES AND EQUITY		91,186,240	2,268,450	80,302,830	1,781,500

(*) For the purposes of better comparative presentation, certain balance sheet balances as of 31 December 2024 have been restated, without, however, changing the values of shareholders' equity, the income statement, and the comprehensive income statement as of 31 December 2024.

CONSOLIDATED INCOME STATEMENT

(thousands of euro)

Consolidated income statement items	Notes	2025	of which from related parties	2024	of which from related parties
Revenues					
Revenues from sales and services	28	11,309,626	4,709,022	9,640,029	4,898,055
Other revenues and income	29	193,376	18,937	143,447	44,745
Total revenues		11,503,002	4,727,959	9,783,476	4,942,800
Operating Costs					
Raw materials and consumables used	30	(787,878)	(14,073)	(722,264)	(24,729)
Services	31	(1,679,888)	(453,048)	(1,207,918)	(705,391)
Staff costs	32	(1,083,857)	(6,158)	(999,567)	(6,019)
Amortisation, depreciation and impairment of property, plant and equipment and intangible assets	33	(3,031,540)		(2,688,887)	
Net write-downs/write-backs of trade receivables and other receivables	33 a	(304)		24,644	
Other operating costs	34	(360,373)	(118,708)	(313,985)	(92,540)
Total costs		(6,943,840)	(591,987)	(5,907,977)	(828,679)
Operating profit		4,559,162	4,135,972	3,875,499	4,114,121
Financial income (expense)					
Financial income	35	326,576	21,978	449,297	65,930
Borrowing expenses	36	(1,493,355)	(47,042)	(1,124,950)	(271,479)
Portion of income (expenses) from equity investments valued with the equity method	37	370,795		283,508	
Other income (expenses) from equity investments	37 a				
Total financial income (expense)		(795,984)	(25,064)	(392,145)	(205,549)
Income before taxes		3,763,178	4,110,908	3,483,354	3,908,572
Taxes for the year	38	(1,101,600)		(972,523)	
Net income (loss) from continuous operations		2,661,578	4,110,908	2,510,831	3,908,572
Net income (loss) from assets held for sale	39	263		11,577	
Net income (loss) for the year		2,661,841	4,110,908	2,522,408	3,908,572
- pertaining to Shareholders of the Parent Company		742,329		732,808	
- pertaining to non-controlling interests		1,919,512		1,789,600	

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

(thousands of euro)			
Items/Figures	Notes	2025	2024
1 - Net income (loss) for the year		2,661,841	2,522,408
Other comprehensive income net of taxes not transferred to income statement			
2 - Financial assets (equity securities) measured at fair value through other comprehensive income		(9,861)	(503)
3 - Hedging of equity securities designated at fair value through other comprehensive income			
4 - Financial liabilities designated at fair value through profit or loss (change in the entity's own credit risk)			
5 - Property, plant and equipment			
6 - Intangible assets			
7 - Defined benefit plans		(5,368)	5,349
8 - Non-current assets held for sale			
9 - Share of valuation reserves of equity investments accounted for using equity method		1,218	30,816
10 - Revaluation Laws			
Other comprehensive income net of taxes transferred to income statement			
11 - Financial assets (other than equity securities) measured at fair value through other comprehensive income		2,106	2,309
12 - Hedging instruments (element not designated)			
13 - Hedging of foreign investments			
14 - Exchange rate differences		(15,971)	6,756
15 - Cash flow hedges		109,787	(71,983)
16 - Non-current assets held for sale			
17 - Share of valuation reserves of equity investments accounted for using equity method		911	(14,880)
18 - Revaluation Laws			
19 - Total other comprehensive income net of taxes		82,822	(42,136)
20 - Comprehensive income (item 1+19)		2,744,663	2,480,272
21 - Consolidated comprehensive income pertaining to non-controlling interests		1,974,108	1,778,955
22 - Consolidated comprehensive income pertaining to Shareholders of the Parent Company		770,555	701,317

STATEMENT OF CHANGES IN CONSOLIDATED EQUITY AT 31 DECEMBER 2025

	Notes	Share capital	Legal reserve	Issue premium	Valuation reserves net of taxes
(thousands of euro)					
Total equity at 31 December 2024	15	162	32	1,315,158	19,874
Change in opening					
Total equity at 1 January 2025	15	162	32	1,315,158	19,874
Net income (loss) for the year					
Other comprehensive income:					
- cash flow hedges					36,616
- defined benefit plans					(1,613)
- exchange rate differences					(5,016)
- other					(1,761)
Total other comprehensive income					28,226
Comprehensive income					28,226
Transactions with Shareholders					
Allocation of previous year net income/(loss):					
- interim dividend 2024					
- dividends					
- retained earnings					
Interim dividend 2025					
Treasury stock transactions					
Total transactions with Shareholders					
Other changes		4		265,926	(9,716)
Total other changes		4		265,926	(9,716)
Total equity at 31 December 2025	15	166	32	1,581,084	38,384

STATEMENT OF CHANGES IN CONSOLIDATED EQUITY AT 31 DECEMBER 2024

	Notes	Share capital	Legal reserve	Issue premium	Valuation reserves net of taxes
(thousands of euro)					
Total equity at 31 December 2023	15	162	32	1,315,158	40,944
Change in opening					
Total equity at 1 January 2024	15	162	32	1,315,158	40,944
Net income (loss) for the year					
Other comprehensive income:					
- cash flow hedges					(40,819)
- defined benefit plans					1,627
- exchange rate differences					2,164
- other					5,537
Total other comprehensive income					(31,491)
Comprehensive income					(31,491)
Transactions with Shareholders					
Allocation of previous year net income/(loss):					
- interim dividend 2023					
- dividends					
- retained earnings					
Interim dividend 2024					
Treasury stock transactions					
Total transactions with Shareholders					
Other changes					10,421
Total other changes					10,421
Total equity at 31 December 2024	15	162	32	1,315,158	19,874

Other reserves	Retained earnings	Net income (loss) for the year	Interim dividend	Group equity	Non-controlling interests	Total Equity
2,029,921	1,406,049	732,808	(361,866)	5,142,138	16,195,665	21,337,803
2,029,921	1,406,049	732,808	(361,866)	5,142,138	16,195,665	21,337,803
		742,329		742,329	1,919,512	2,661,841
				36,616	73,171	109,787
				(1,613)	(3,755)	(5,368)
				(5,016)	(10,955)	(15,971)
				(1,761)	(3,865)	(5,626)
				28,226	54,596	82,822
		742,329		770,555	1,974,108	2,744,663
		(361,866)	361,866			
		(177,517)		(177,517)	(1,046,003)	(1,223,520)
	193,425	(193,425)				
			(393,816)	(393,816)	(445,652)	(839,468)
					(2,046)	(2,046)
	193,425	(732,808)	(31,950)	(571,333)	(1,493,701)	(2,065,034)
	(1,620)			254,594	709,624	964,218
	(1,620)			254,594	709,624	964,218
2,029,921	1,597,854	742,329	(393,816)	5,595,954	17,385,696	22,981,650

Other reserves	Retained earnings	Net income (loss) for the year	Interim dividend	Group equity	Non-controlling interests	Total Equity
2,029,921	1,301,713	631,499	(343,047)	4,976,382	13,901,097	18,877,479
2,029,921	1,301,713	631,499	(343,047)	4,976,382	13,901,097	18,877,479
		732,808		732,808	1,789,600	2,522,408
				(40,819)	(31,164)	(71,983)
				1,627	3,722	5,349
				2,164	4,592	6,756
				5,537	12,205	17,742
				(31,491)	(10,645)	(42,136)
		732,808		701,317	1,778,955	2,480,272
		(343,047)	343,047			
		(169,495)		(169,495)	(921,635)	(1,091,130)
	118,957	(118,957)				
			(361,866)	(361,866)	(435,264)	(797,130)
					1,042	1,042
	118,957	(631,499)	(18,819)	(531,361)	(1,355,857)	(1,887,218)
	(14,621)			(4,200)	1,871,470	1,867,270
	(14,621)			(4,200)	1,871,470	1,867,270
2,029,921	1,406,049	732,808	(361,866)	5,142,138	16,195,665	21,337,803

CONSOLIDATED STATEMENT OF CASH FLOWS

(thousands of euro)

Items/Figures	Notes	2025 (*)	2024
Net income for the year		2,661,841	2,522,408
Adjustments to net income to reflect cash flow from operating activities:			
Amortisation and depreciation	33	2,998,798	2,641,645
Net write-downs (revaluations) of property, plant and equipment and intangible assets		32,742	47,242
Effect of accounting using the equity method	37	(216,870)	(290,839)
Net losses (gains) on disposals, cancellations and eliminations of assets		41,394	54,144
Dividends		185	
Interest income	35	(288,597)	(445,624)
Interest expense	36	1,136,051	1,091,881
Income taxes	38	1,101,600	972,523
Other adjustments		(506,138)	(198,199)
Changes in working capital:			
- Inventories		54,806	608,621
- Trade receivables		1,032,901	(534,464)
- Trade payables		(830,840)	255,805
- Provisions for risks and charges		24,261	166,654
- Other assets and liabilities		864,333	(2,266,790)
Cash flow from working capital		1,145,461	(1,770,174)
Change in provisions for employee benefits		(23,219)	6,925
Dividends received		228,642	242,254
Interest received		173,773	318,537
Interest paid		(972,426)	(899,298)
Income taxes paid net of tax credits reimbursed		(935,656)	(571,667)
Cash flow from operating activities		6,577,581	3,721,758
- with related parties		895,557	1,137,873
Investing activities:			
- Property, plant and equipment		(5,603,190)	(4,608,968)
- Intangible assets		(1,715,581)	(1,378,282)
- Companies in the scope of consolidation and business units		(2,860,218)	51,231
- Equity investments		(17,646)	(184,952)
- Change in payables and receivables relative to investing activities		(1,233)	439,553
Cash flow from investing activities		(10,197,868)	(5,681,418)
Divestments:			
- Property, plant and equipment		12,397	49,790
- Intangible assets		259,174	10,898
- Equity investments		273,654	1,800
- Companies in the scope of consolidation and business units			
- Change in payables and receivables relative to divestments		592,287	
Cash flow from divestments		1,137,512	62,488
Net cash flow from investing activities		(9,060,356)	(5,618,930)
- with related parties		(33,358)	(3,323)
Assumption of long-term financial debt	18	8,857,268	9,447,848
Repayments of long-term financial debt	18	(3,405,744)	(4,943,458)
Increase (decrease) in short-term financial debt	23-26	(1,617,763)	(1,017,969)
(Increase) decrease of financial receivables for not operating purposes			
Repayment of financial debts for leased assets		(89,360)	(66,072)
Purchase of treasury shares			
Net equity capital injections		265,928	1,845,479
Dividends distributed to shareholders		(2,052,236)	(1,880,350)
Net cash flow from financing activities		1,958,093	3,385,478
- with related parties		(168,480)	(330,955)
Net cash flow for the year		(524,682)	1,488,306
Cash and cash equivalents at start of the year	14	4,628,191	3,139,885
Monetary changes for the period		(524,682)	1,488,306
Changes due to exchange rate			
Changes due to IFRS9			
Cash and cash equivalents at end of the year	14	4,103,509	4,628,191

(*) of which relating to assets held for sale: (i) net cash flow from operating activities -0.7 mln/€ (-0.8 mln/€ as at 31 December 2024); (ii) net cash flow from investing activities +1.6 mln/€ (-0.9 mln/€ as at 31 December 2024); (iii) net cash flow from financing activities 0 mln/€ (0 mln/€ as at 31 December 2024).

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

INTRODUCTION

FORM AND CONTENT OF THE CONSOLIDATED FINANCIAL STATEMENTS

The consolidated financial statements of the CDP RETI Group (hereinafter also the “Group”) have been prepared, in continuity with prior years, pursuant to Articles 2 and 3 of Legislative Decree No. 35/2005 and in accordance with the International Financial Reporting Standards (IFRS). It includes the consolidated balance sheet, the consolidated income statement, the consolidated statement of comprehensive income, the statement of changes in consolidated equity, the consolidated statement of cash flows, these notes to the consolidated financial statements and with the relevant attachments, as well as the Board of Directors’ report on operations at Group level (Report on Operations).

CDP RETI is required to draft its annual consolidated financial statements in compliance with international accounting standard IFRS 10. The conditions for exemption arising from being a sub-holding controlled by a holding company (Cassa Depositi e Prestiti S.p.A.) which drafts its own consolidated financial statements do not apply for entities which have issued listed securities on a regulated market.

The consolidated financial statements at 31 December 2025 clearly present, and give a true and fair view of the Group’s financial performance and results of operations for the period. The figures shown in these statements correspond with the company accounting records and fully reflect the transactions conducted during the year.

BASIS OF PRESENTATION

The consolidated financial statements are presented in euro. Unless otherwise specified, the consolidated financial statements and tables in the notes to the consolidated financial statements are expressed in thousands of euro.

In the income statement, revenues are indicated without a sign, while costs are shown in brackets.

The figures of the items, sub-items, and the “of which” specifications in the consolidated financial statements and in the tables of the notes to the financial statements have been rounded as appropriate, while ignoring the fractions of amounts equal to or less than 500 euro and raising fractions greater than 500 euro to the next highest thousand. The rounded amounts for the various items are the sum of the rounded balances of sub-items.

COMPARISON AND DISCLOSURE

As detailed below, the notes to the financial statements provide all information required by law, as well as any supplemental information deemed necessary in order to give a true and fair view of the company’s financial performance and standing.

Tables that do not show amounts for either the reference or comparative financial year have been omitted.

AUDIT OF THE CONSOLIDATED FINANCIAL STATEMENTS

The consolidated financial statements at 31 December 2025 of the CDP RETI Group have been audited by Deloitte & Touche S.p.A., as per the engagement assigned by the shareholders in their meeting of 10 May 2019 to carry out the audit for the period 2020-2028.

ANNEXES TO THE CONSOLIDATED FINANCIAL STATEMENTS

The consolidated financial statements include Appendix 1, “Scope of consolidation”, and Appendix 2, “Disclosures pursuant to Article 1, paragraphs 125–129, of Law No 124 of 4 August 2017”.

I - BASIS OF PREPARATION AND ACCOUNTING STANDARDS

I.1. GENERAL INFORMATION

I.1.1. Declaration of compliance with the International Financial Reporting Standards

These consolidated financial statements have been prepared in accordance with the International Financial Reporting Standards (IFRS) issued by the International Accounting Standards Board (IASB), including the interpretative guidance of the SIC and IFRIC, effective as at 31 December 2025 and endorsed by the European Commission pursuant to EC Regulation No. 1606 of 19 July 2002, published in Official Journal L.243 on 11 September 2002, and in accordance with the relevant laws and regulations applicable in Italy.

In addition, the minimum reporting requirements established by the Italian Civil Code, where compatible with the accounting standards adopted, have been taken into account.

I.1.2. General preparation principles

The financial statement layouts used to prepare the consolidated financial statements are consistent with the provisions of IAS 1 – Presentation of Financial Statements (hereinafter, IAS 1).

In particular:

- the items on the consolidated balance sheet are classified by distinguishing assets and liabilities as “current / non-current”⁵⁸;
- the consolidated income statement has been prepared by classifying costs by their nature, insofar as this form of presentation is deemed the most appropriate for representing the actual situation of the CDP RETI Group, and is consistent with the established practice of firms operating on international markets;
- the consolidated statement of comprehensive income includes Profit/(Loss) for the year inclusive of revenues and costs that are directly recognised in equity as required by IFRS;
- the consolidated statement of changes in equity includes profit/(loss) for the year, transactions with shareholders and other changes in equity;
- the consolidated statement of cash flows is drafted by using the “indirect” method (as per IAS 7 - Statement of cash flows), adjusting net income for the effects of non-cash transactions.

In addition, as required by the CONSOB resolution no. 15519 issued in July 2006, within the consolidated income statement, any operational income and expenses that by virtue of their size, nature or expected frequency do not occur regularly in the normal course of operations (i.e. exceptional items), if present, warrant separate presentation. In accordance with the same CONSOB resolution, related parties’ transactions are shown separately in the financial statements.

It is believed that these statements present an adequate view of the Group's financial position and performance of operations. The consolidated financial statements include the financial statements of all subsidiaries from the date on which control is obtained and until such control ends. The CDP RETI Group identifies another entity as a subsidiary when:

- it holds decision-making power over the investee entity;
- it has the right to participate or is exposed to variable results (positive and negative) of the investee;
- it has the ability to exercise its control over the investee in such a way as to affect its economic returns.

For the purposes of interpretation and to provide support in applying the financial reporting standards, the following documents have also been considered, although they have not been endorsed by the European Commission:

- Conceptual framework for financial reporting;
- Implementation Guidance and Basis for Conclusions;
- SIC/IFRIC Interpretation Documents;
- Interpretation documents concerning the application of the IFRS in Italy, prepared by the Organismo Italiano di Contabilità (Italian Accounting Board, OIC);
- Documents issued by ESMA and Consob concerning the application of specific IFRS rules;
- Documents issued by ESMA and Consob regarding the assessments and disclosures required for financial reporting and sustainability reporting⁵⁹.

Where the information required by the IFRS is deemed to be inadequate in presenting the company's financial standing in a true and fair manner, the explanatory notes also provide supplemental information for such purpose.

⁵⁸ Assets and liabilities are classified as current when: (i) the entity expects to realise or consume the asset or liability, in its normal operating cycle or within the twelve months after the reporting period; (ii) the asset or liability is cash or a cash equivalent unless it is restricted from being exchanged or used for at least twelve months after the reporting period; (iii) they are held primarily for the purpose of trading.

⁵⁹ These references are:

- ESMA Public Statement of 14 October 2025 “European common enforcement priorities for 2025 corporate reporting”;
- Consob communication “ESMA: the new supervisory priorities for 2025 reporting”.

These consolidated financial statements have been prepared in accordance with the following general requirements of IAS 1 – “Presentation of financial statements”:

- **Going concern basis:** the CDP RETI Group has conducted an assessment of its ability to continue to operate as a going concern (and in any case with a time horizon longer than twelve months), considering all available information over a medium-term time horizon. Based on an analysis of the information and the results achieved in previous years, CDP RETI Group deems appropriate to prepare its consolidated financial statements on a going concern basis. The current geopolitical environment is characterised by the ongoing conflict in Ukraine, the escalation of tensions in the Middle East and increasing trade frictions, which have led to continued volatility in energy and commodity prices, disruptions to supply chains and shifts in global trade balances. For more details see section “5. The projected evolution of management - outlook for 2026” in the Group Report on Operations and to section “1.1.5 Other Aspects” in the Consolidated Explanatory Notes for further details on the uncertainties characterising the current context and their potential impact on the CDP RETI Group;
- **Accruals basis:** operations are recognised in the accounting records and in the consolidated financial statements of the CDP RETI Group (except for the disclosure about cash flows) when they accrue, regardless of the payment or collection date. Costs and revenues are recognised in income statement in accordance with the matching principle;
- **Materiality and aggregation:** all items containing assets, liabilities, revenues and expenses of a similar nature and with similar characteristics are presented separately in the consolidated financial statements, unless they are immaterial;
- **Offsetting:** no assets have been offset with liabilities, nor income with expenses, unless expressly required by an accounting standard or a related interpretation;
- **Frequency of reporting:** the CDP RETI Group prepares the consolidated financial statements, and makes the related disclosures, on an annual basis. The Group also prepares the Half-yearly condensed consolidated financial statements ending 30 June of each year. No changes occurred with respect to the reporting date, which remains at 31 December of each year. All subsidiaries’ financial statements align with the closing date of the Parent Company, CDP RETI S.p.A.;
- **Comparative information:** is disclosed in respect of the previous financial period. This comparative information, which for the balance sheet refers and for the income statement to the reporting date of the previous financial year, is provided for each document comprising the financial statements, including the notes thereto.

Use of estimates

The application of International Financial Reporting Standards in preparing the consolidated financial statements requires accounting estimates based on complex and/or subjective judgements, which are considered reasonable and realistic on the basis of past experience and the information available at the time the estimate is made. Such estimates impact the carrying value of the assets and liabilities and the disclosures on contingent assets and liabilities as of the reporting date, as well as the amounts of revenues and costs for the reference financial period. Actual results may differ from the estimates due to the uncertainty of the assumptions and conditions underlying the estimates. Changes in the conditions underlying the judgements, assumptions and estimates adopted could also have an impact on future earnings results.

Estimates and assumptions are subject to regular review and the effects of changes are reflected in the income statement if the review concerns only the current period; in the event that, on the other hand, the effects concern both current and future periods, the variation is recognised in the period in which the change in the estimate is made in the relative future periods.

The estimates made in the consolidated financial statements of the CDP RETI Group are mainly attributable to the following:

- **Recoverable amount of property, plant and equipment (including the valuation of work in progress and inventories of raw materials, semi-finished and finished products), intangible assets and goodwill:** the assets recognised are periodically assessed to identify any impairment indicators. As a result of events or changes in circumstances, the value of the assets recognised in the financial statements may be considered no longer recoverable. The estimated recoverable amount of assets is the result of complex assessments based on elements which are often uncertain. Impairment is determined by comparing the carrying value with the recoverable amount, which is the greater of the fair value, less disposal costs, and the value in use determined by discounting expected future cash flows generated by the use of the asset applying a discount rate that reflects current market assessments of the time value of money and the specific risks of the asset. The recoverable amount depends significantly on the discount rate used in the discounted cash flow model as well as on the expected cash flows in the future. For assets that do not generate cash flows irrespective of the existence of other assets, the recoverable amount is determined by calculating the recoverable amount of the Cash Generating Unit to which the said asset belongs;
- **Depreciation:** changes in the economic conditions of the markets, in technology and in the competitive scenario could significantly affect the useful life of property, plant and equipment and non-current intangible assets and could result in a difference in the timing of the depreciation process and therefore in the amount of depreciation costs;
- **Investments and recoverable amount:** the assessment of the type of control exercised over another entity, including the verification of the existence of enforceable rights and obligations in the case of joint operations, requires the exercise of professional judgement based on the characteristics of the corporate structure, the arrangements between the parties, as well as any other relevant facts or circumstances. Such assessments must be performed on an ongoing basis or whenever facts and circumstances may imply a change in the ownership interest or the classification of the investment as “assets held for sale/discontinued operation”. With regard to the recoverable amount of investments, at

each reporting date an evaluation is carried out to determine whether objective evidence exists indicating that the carrying amount of the investments may not be fully recoverable. An impairment test is performed when the aforementioned evidence exists, to estimate the recoverable amount of the equity investments and comparing it with their carrying value, to determine the recognition of any impairment losses;

- Quantification of employee benefits: the actuarial valuations performed to determine the value of provisions for employee benefits are based on economic and demographic-type assumptions and on other assumptions considered to be reasonable at the date of evaluation but which may change over time. Changes in actuarial assumptions will result in changes in the value of net liabilities recognised through other comprehensive income or income statement;
- Quantification of provisions for risks and charges: the estimate of provisions for risks and charges (the emergence of which is generally expected several years later) is the result of complex assessments and subjective judgements of the management. The assessments are based on different kinds of elements, including: the probability and expected timing of disbursements, the discount rates and the interpretation of standards, regulations and contractual clauses. In addition, these obligations are influenced by the constant updating of decommissioning and restoration techniques and costs⁶⁰, as well as by the continuous evolution of political and public awareness of health and environmental protection. With reference to the Ravenna FSRU terminal, the provisions set out in the state concession granted by the Port System Authority of the Central-Northern Adriatic Sea (hereinafter also the “ADSP, provide that, at the end of the concession period, the ADSP may either take ownership of the existing works⁶¹ or require their removal at the concessionaire’s expense. Taking these provisions into account, Snam examined the legal aspects of the concession deed and concluded that the risk of the Company incurring potential restoration costs should be regarded as possible. It should also be noted that the terminal, together with the ancillary works falling within the scope of the concession, originally constructed in the 1980s, has been used for different activities in response to evolving operational requirements over time. In addition, Snam carried out a technical assessment to estimate potential restoration obligations, quantified at approximately 175 million euro. From an accounting perspective, as the conditions set out in IAS 37 have not been met, Snam has therefore not recognised any provision for the dismantling and restoration of the Ravenna site;
- Business combinations: the recognition of business combinations involves the recognition of the assets and liabilities of the acquired company at their fair value at the date of acquiring control as well as the possible recognition of goodwill. These values are determined through a complex estimation process;
- Incentive-related revenues: the recognition of output-based incentives in the financial statements may require management to make estimates and assumptions based on assumptions developed on actual data and on the estimated quantification and probability of occurrence of future events. In the case of incentive mechanisms that have a multi-year time horizon, Terna evaluates the allocation of the bonus over the period, estimating the possibility of repayment of all or part of the amounts accrued. The amount eventually recognised as income in the period is in fact the value that has the highest probability of not being returned in the future. Terna also assesses, for accounting purposes, for each incentive mechanism, whether the existence of the right (or obligation) is subject to confirmation or verification by ARERA. If the mechanism includes a significant financial component, Terna determines a discount rate that takes into account the credit risk associated with the asset, which, given the operation of the mechanisms and the guarantees provided for by the regulation in favour of Terna, essentially coincides with the electricity system. Some of the incentive mechanisms may determine penalties for negative performance;
- Cost capitalisation: the cost capitalisation process is characterised by some estimation / valuation elements, including, in particular, the probability that the amount of capitalised costs will be recovered through the related future revenues and the actual increase in future economic benefits inherent in the asset to which they refer;
- Income taxes (current and deferred): income taxes (both current and deferred) are calculated in each country where CDP RETI Group operates, based on a prudent approach to the interpretation of the applicable tax regulations or substantially approved at the reporting date. This process sometimes involves complex estimates in determining taxable income and deductible and taxable temporary differences between accounting and tax values. In particular, deferred tax assets are recognised to the extent that future taxable income is likely to be available against which they can be recovered. The assessment of the recoverability of deferred tax assets, recognised in relation to both tax losses usable in subsequent years and deductible temporary differences, takes into account the estimate of future taxable income;
- Derivative instruments and equity instruments: the fair value of derivative instruments and equity instruments is determined both through valuation models, which also incorporate judgemental assessments such as estimates of cash flows, expected price volatility, and on the basis of prices observed in regulated markets or quotations provided by financial counterparties;
- Classification and measurement of investments made for the development and maintenance of its infrastructure: Snam incurs significant capital expenditure for the development and maintenance of its infrastructure. The assessment of the recoverability of assets under construction and the distinction between costs relating to improvements, upgrades and enhancements that increase the capacity or performance of the infrastructure, and ordinary maintenance and repair costs that restore, rather than enhance, the assets’ performance, involve elements of judgement;
- Quantification of the bad debt provision, based on the present value of expected future cash flows.

⁶⁰ The complexity of the accounting estimates relating to decommissioning and restoration obligations also depends on the accounting treatment applied to such costs, the present value of which is initially capitalised as part of the cost of the related asset, with a corresponding entry to the provision for risks. Subsequently, the value of the provision is updated to reflect the passage of time and any changes in estimates resulting from revisions to expected cash flows, the timing of their settlement and the discount rates applied.

⁶¹ These include, for example, the platform’s facilities used for mooring and transporting natural gas..

As set out in IAS 8 “Accounting Policies, Changes in Accounting Estimates, and Errors”, paragraph 10, in the absence of a specific accounting standard or interpretation applicable to a given transaction, management shall determine the appropriate accounting policies through careful subjective evaluation. The aim is to provide a consolidated financial statement that faithfully represents the financial position, economic performance, and cash flows of the Group, reflecting the economic substance of transactions, being neutral, prepared on a prudent basis, and complete in all material aspects.

The description of the accounting policies used for the valuation of the main consolidated financial statement items provides details on the assumptions and assessments used in preparing the consolidated financial statements.

IFRS endorsed at 31 December 2025 and in force since 2025

As required by IAS 8 - “Accounting policies, changes in accounting estimates and errors”, details of the new international financial reporting standards, or amendments to standards already in force, whose application became mandatory from 1 January 2025, are provided below:

- Commission Regulation (EU) 2024/2862 of 12 November 2024 amending Regulation (EC) No 2023/1803 concerning International Accounting Standard No. 21 (IAS 21).

New accounting standards and interpretations issued and endorsed by the European Union, but not yet effective (effective for the financial years beginning 1 January 2026)

Listed below are the new standards and interpretations already issued and endorsed, but not yet effective and therefore not applicable to the preparation of the financial statements as at 31 December 2025:

- Commission Regulation (EU) 2025/1047 of 27 May 2025 amending Regulation (EU) 2023/1803 concerning International Financial Reporting Standard 9 and International Financial Reporting Standard 7;
- Commission Regulation (EU) 2025/1266 of 30 June 2025 amending Regulation (EU) 2023/1803 concerning International Financial Reporting Standard 9 and International Financial Reporting Standard 7;
- Commission Regulation (EU) 2025/1331 of 9 July 2025 amending Regulation (EU) 2023/1803 concerning International Financial Reporting Standards 1, 7, 9, and 10, and International Accounting Standard No. 7.

Accounting standards, amendments and interpretations not yet endorsed by the European Union at the reporting date of 31 December 2025

Certain accounting standards, interpretations and amendments had been issued by the IASB but not yet endorsed by the European Union at the approval date of these consolidated financial statements:

- IFRS 19 “Subsidiaries without Public Accountability: Disclosures” (issued on 9 May 2024);
- IFRS 18 “Presentation and Disclosure in Financial Statements” (issued on 9 April 2024);
- Amendments to IAS 21 “The Effects of Changes in Foreign Exchange Rates: Translation to Hyperinflationary Presentation Currency” (issued on 13 November 2025);
- Amendments to IFRS 19 “Subsidiary without Public Accountability: Disclosures” (issued on 21 August 2025).

OTHER INFORMATION

On 7 April 2026, the Board of Directors approved the CDP RETI Group’s consolidated financial statements as at 31 December 2025, authorising their publication and disclosure in line with the deadlines and methods envisaged by current regulations applicable to CDP RETI. Therefore, this document does not cover events occurring after that date.

I.1.3. Scope and methods of consolidation

Subsidiaries are consolidated on a line-by-line basis, while companies subject to joint control or significant influence are accounted for using the equity method. An exception is made for a number of minor controlling equity investments or those in subsidiaries in the start-up phase without assets and liabilities, whose contribution to the consolidated financial statements is immaterial for the correct representation of the assets, economic and financial situation of the CDP RETI Group.

The figures of the subsidiaries used for line-by-line consolidation are those at 31 December 2025, as approved by competent corporate bodies of the consolidated companies, adjusted as necessary to harmonise them with Group accounting policies.

The following statement shows the companies consolidated on a line-by-line basis.

Equity investments in subsidiaries

Name	Operating office	Registered office	Type of relationship (1)	Equity investment		
				Investor	% holding	% of votes (2)
1 Acqua Campania S.p.A.	Naples	Naples	1	Italgas Reti S.p.A.	0.53%	0.53%
2 Altenea S.r.l.	Rome	Rome	1	Nepta S.p.A.	95.70%	95.70%
3 Asset Company 10 S.r.l.	San Donato Milanese (MI)	San Donato Milanese (MI)	1	Terna Energy Solutions S.r.l.	89.00%	89.00%
4 Avenia the Energy Innovator S.r.l.	Rome	Rome	1	Snam S.p.A.	100.00%	100.00%
5 B.Y.S. Ambiente Impianti S.r.l.	San Donato Milanese (MI)	San Donato Milanese (MI)	1	Terna Energy Solutions S.r.l.	100.00%	100.00%
6 B.Y.S. Società Agricola Impianti S.r.l.	Pordenone	Pordenone	1	Bioenerys Ambiente S.r.l.	100.00%	100.00%
7 Bioenerys Agri S.r.l.	Pordenone	Pordenone	1	Bioenerys Agri S.r.l.	100.00%	100.00%
8 Bioenerys Ambiente S.r.l.	San Donato Milanese (MI)	San Donato Milanese (MI)	1	Bioenerys S.r.l.	100.00%	100.00%
9 Bioenerys S.r.l.	San Donato Milanese (MI)	San Donato Milanese (MI)	1	Snam S.p.A.	100.00%	100.00%
10 Biogas Brusio Società Agricola a r.l.	Pordenone	Pordenone	1	Bioenerys Agri S.r.l.	99.90%	99.90%
11 Biowaste CH4 Legnano	Torino	San Donato Milanese (MI)	1	Bioenerys Ambiente S.r.l.	100.00%	100.00%
12 Bludigit S.p.A.	Milan	Milan	1	Italgas S.p.A.	100.00%	100.00%
13 Brugg Cables (India) Pvt., Ltd.	Haryana	Haryana	1	Brugg Kabel AG	99.74%	99.74%
14 Brugg Cables (Shanghai) Co., Ltd.	Shanghai	Shanghai	1	Brugg Kabel GmbH	0.26%	0.26%
15 Brugg Cables (Suzhou) Co., Ltd.	Suzhou	Suzhou	1	Brugg Kabel AG	100.00%	100.00%
16 Brugg Cables Company	Riyadh	Riyadh	1	Brugg Cables (Shanghai) Co., Ltd.	100.00%	100.00%
17 Brugg Cables Italia S.r.l.	Milan	Milan	1	Brugg Kabel AG	100.00%	100.00%
18 Brugg Cables Middles East Contracting LLC	Dubai	Dubai	1	Brugg Kabel Manufacturing AG	100.00%	100.00%
19 Brugg Cables, Inc.	Chicago	Chicago	1	Brugg Kabel AG	100.00%	100.00%
20 Brugg Kabel AG	Brugg	Brugg	1	Brugg Kabel Services AG	90.00%	90.00%
21 Brugg Kabel GmbH	Schwieberdingen	Schwieberdingen	1	Brugg Kabel AG	100.00%	100.00%
22 Brugg Kabel Manufacturing AG	Brugg	Brugg	1	Brugg Kabel Services AG	100.00%	100.00%
23 Brugg Kabel Services AG	Brugg	Brugg	1	Terna Energy Solutions S.r.l.	100.00%	100.00%
24 CH4 Energy S.r.l.	Palermo	San Donato Milanese (MI)	1	Bioenerys Ambiente S.r.l.	100.00%	100.00%
25 Cilento Reti Gas S.r.l.	Acquaviva Delle Fonti	Acquaviva Delle Fonti	1	Italgas Reti S.p.A.	60.00%	60.00%
26 Consentia Project S.r.l.	Milan	Milan	1	Renovit Public Solutions S.p.A. Società	100.00%	100.00%
27 Cubogas S.r.l.	San Donato Milanese (MI)	San Donato Milanese (MI)	1	Greenture S.p.A.	100.00%	100.00%
28 ESPERIA-CC S.r.l.	Rome	Rome	1	Terna S.p.A.	1.00%	1.00%
29 Enaon Eda S.A.	Athens	Athens	1	Enaon S.A.	100.00%	100.00%
30 Enaon S.A.	Athens	Athens	1	Italgas Newco S.p.A.	100.00%	100.00%
31 Enersi Sicilia S.r.l.	Caltanissetta	San Donato Milanese (MI)	1	Bioenerys Ambiente S.r.l.	100.00%	100.00%
32 Enura S.p.A.	San Donato Milanese (MI)	San Donato Milanese (MI)	1	Snam S.p.A.	55.00%	55.00%
33 Gasrule Insurance D.A.C.	Dublin	Dublin	1	Snam S.p.A.	100.00%	100.00%
34 Geaside S.p.A.	Casalecchio di Reno	Casalecchio di Reno	1	Italgas S.p.A.	67.22%	67.22%
35 Govone Biometano S.r.l.	Pordenone	Pordenone	1	Toscana Energia S.p.A.	32.78%	32.78%
36 Greenture S.p.A.	San Donato Milanese (MI)	San Donato Milanese (MI)	1	Bioenerys Agri S.r.l.	100.00%	100.00%
37 Halfbridge Automation S.r.l.	Rome	Rome	1	Snam S.p.A.	100.00%	100.00%
38 IG Rete Dati S.r.l.	Milan	Milan	1	Altenea S.r.l.	70.00%	70.00%
39 Idrolatina S.r.l.	Milan	Milan	1	Bludigit S.p.A.	100.00%	100.00%
40 Idrosicilia S.p.A.	Milan	Milan	1	Nepta S.p.A.	100.00%	100.00%
41 Infrastrutture Trasporto Gas S.p.A.	Milan	San Donato Milanese (MI)	1	Nepta S.p.A.	99.37%	99.37%
42 Italgas Newco S.p.A.	Milan	Milan	1	Snam S.p.A.	100.00%	100.00%
43 Italgas Reti S.p.A.	Torino	Torino	1	Italgas S.p.A.	90.00%	90.00%
44 Italgas S.p.A.	Milan	Milan	4	Italgas S.p.A.	100.00%	100.00%
45 L.A.C. Laboratorio Acqua Campania S.r.l.	Naples	Naples	1	CDP Reti S.p.A.	25.94%	25.94%
46 MST S.r.l.	Pordenone	Pordenone	1	Snam S.p.A.	11.40%	11.40%
47 MZ Biogas società agricola a r.l.	Pordenone	Pordenone	1	Acqua Campania S.p.A.	51.00%	51.00%
48 Maiero Energia società agricola a r.l.	Pordenone	Pordenone	1	Bioenerys Agri S.r.l.	100.00%	100.00%
49 Medea S.p.A.	Sassari	Sassari	1	Bioenerys Agri S.r.l.	99.90%	99.90%
50 Moglia Energia Società Agricola a.r.l.	Pordenone	Pordenone	1	Bioenerys Agri S.r.l.	100.00%	100.00%
51 Nepta S.p.A.	Milano	Milano	1	Italgas Reti S.p.A.	51.85%	51.85%
52 Renovit Building Solutions S.p.A. Società Benefit	Milan	Milan	1	Bioenerys Agri S.r.l.	100.00%	100.00%
53 Renovit Business Solutions S.r.l. Società Benefit	Milan	Milan	1	Italgas S.p.A.	100.00%	100.00%
54 Renovit Public Solutions S.p.A. Società Benefit	Milan	Milan	1	Renovit S.p.A. Società Benefit	100.00%	100.00%
55 Renovit S.p.A. Società Benefit	San Donato Milanese (MI)	San Donato Milanese (MI)	1	Renovit S.p.A. Società Benefit	100.00%	100.00%
56 Rete 2 S.r.l.	Rome	Rome	1	Snam S.p.A.	60.05%	60.05%
57 Rete S.r.l.	Rome	Rome	1	Terna S.p.A.	100.00%	100.00%
58 SNAM RETE GAS S.p.A.	San Donato Milanese (MI)	San Donato Milanese (MI)	1	Terna S.p.A.	100.00%	100.00%
59 Snam S.p.A.	San Donato Milanese (MI)	San Donato Milanese (MI)	4	Snam S.p.A.	100.00%	100.00%
60 STE Energy S.r.l.	Rome	Rome	1	CDP Reti S.p.A.	31.35%	31.35%
61 Snam Energy Terminals S.r.l.	San Donato Milanese (MI)	San Donato Milanese (MI)	1	Altenea S.r.l.	100.00%	100.00%
62 Snam International B.V.	Amsterdam	Amsterdam	1	Snam S.p.A.	100.00%	100.00%
63 Società Agricola Agrimetano Pozzonovo S.r.l.	Pordenone	Pordenone	1	Snam S.p.A.	100.00%	100.00%
64 Società Agricola Agrimetano Ro S.r.l.	Pordenone	Pordenone	1	Bioenerys Agri S.r.l.	100.00%	100.00%
65 Società Agricola G.B.E. Gruppo Bio Energie S.r.l.	Pordenone	Pordenone	1	Bioenerys Agri S.r.l.	100.00%	100.00%
66 Società Agricola La Valle Green Energy S.r.l.	Pordenone	Pordenone	1	Società Agricola Sangiovanni S.r.l.	100.00%	100.00%
67 Società Agricola SQ Energy S.r.l.	Pordenone	Pordenone	1	Bioenerys Agri S.r.l.	100.00%	100.00%
68 Società Agricola Sangiovanni S.r.l.	Pordenone	Pordenone	1	Bioenerys Agri S.r.l.	50.00%	50.00%
69 Società Agricola T4 Energy S.r.l.	Pordenone	Pordenone	1	Società Agricola SQ Energy S.r.l.	50.00%	50.00%
70 Società Agricola Zoppola Biogas S.r.l.	Pordenone	Pordenone	1	Bioenerys Agri S.r.l.	100.00%	100.00%
71 Stogit Adriatica S.p.A.	San Donato Milanese (MI)	San Donato Milanese (MI)	1	Bioenerys Agri S.r.l.	100.00%	100.00%
72 Stogit S.p.A.	San Donato Milanese (MI)	San Donato Milanese (MI)	1	Stogit S.p.A.	100.00%	100.00%
73 T-Lux S.r.l.	Piancogno (BS)	Piancogno (BS)	1	Snam S.p.A.	100.00%	100.00%
74 TERNIA Crna Gora d.o.o.	Podgorica	Podgorica	1	Renovit Public Solutions S.p.A. Società	100.00%	85.00%
75 Tamini Trasformatori India Private limited	Magarpatta City, Hadapsar, Pune	Magarpatta City, Hadapsar, Pune	1	Terna S.p.A.	100.00%	100.00%
76 Tamini Transformers USA L.L.C.	Sewickley	Sewickley	1	Tamini Trasformatori S.r.l.	100.00%	100.00%
77 Tamini Trasformatori S.r.l.	Legnano (MI)	Legnano (MI)	1	Tamini Trasformatori S.r.l.	100.00%	100.00%
78 Tema 4 Chacac S.A.C.	Lima	Lima	1	Terna Energy Solutions S.r.l.	100.00%	100.00%
79 Tema Energy Solutions S.r.l.	Rome	Rome	1	Rete S.r.l.	0.01%	0.01%
80 Tema Forward S.r.l.	Rome	Rome	1	Terna Plus S.r.l.	99.99%	99.99%
81 Tema Interconnector S.r.l.	Rome	Rome	1	Terna S.p.A.	100.00%	100.00%
82 Tema Peru S.A.C.	Lima	Lima	1	Terna S.p.A.	100.00%	100.00%
83 Tema Plus S.r.l.	Rome	Rome	1	Tema Rete Italia S.p.A.	5.00%	5.00%
84 Tema Rete Italia S.p.A.	Rome	Rome	1	Terna S.p.A.	65.00%	65.00%
85 Tema S.p.A.	Rome	Rome	4	Terna Plus S.r.l.	99.99%	99.99%
86 Tema USA LLC	New York	New York	1	Rete S.r.l.	0.01%	0.01%
87 Toscana Energia S.p.A.	Florence	Florence	1	Terna S.p.A.	100.00%	100.00%
88 Zbello Agroenergie Società Agricola S.r.l.	Pordenone	Pordenone	1	Tema Plus S.r.l.	50.74%	50.74%
				Italgas S.p.A.	100.00%	100.00%

Key

(1) Type of relationship:

- 1 = Majority of voting rights in ordinary shareholders' meeting
- 2 = Dominant influence in ordinary shareholders' meeting
- 3 = Agreements with other shareholders
- 4 = Other form of control
- 5 = Unitary management pursuant to Article 26.1 of Legislative Decree 87/92
- 6 = Unitary management pursuant to Article 26.2 of Legislative Decree 87/92

(2) Actual percentage of votes in ordinary shareholders' meeting, distinguishing between effective and potential votes

The changes which occurred in the scope of consolidation compared with those in effect at 31 December 2024 are attributable to:

- with reference to the Terna group:
 - On 4 March 2025, LT S.r.l. changed its corporate name to Altemia S.r.l.. With effect from 1 April 2025, through the contribution of a business unit, the company assumed also responsibility for the management of the Energy Services business, previously carried out by Terna Energy Solutions S.r.l. and the LT group. As a result of this transaction, Terna Energy Solutions S.r.l.'s shareholding in Altemia S.r.l. increased from 87.5% to 89% in April;
 - on 29 May 2025, the subsidiary Altemia S.r.l. completed the acquisition of 100% of the share capital of the Italian company Ste Energy S.r.l., which operates in the design, construction, and maintenance of renewable energy plants and electrical infrastructure;
 - on 30 May 2025, the subsidiary Terna USA LLC completed the sale of its entire 40% stake in the US-based jointly controlled company BMT Energy Transmission Development LLC to Meridiam Transmission Development LLC, a Delaware limited liability company;
 - on 27 August 2025, the liquidation process of Terna Chile S.p.A., formally initiated on 17 December 2024, was completed;
 - on 30 September 2025, Terna S.p.A. completed the acquisition of 100% of the share capital of Rete 2 S.r.l., by Areti S.p.A. and owner of part of the high-voltage infrastructure of the Acea group located in the metropolitan area of Rome. These assets include 73 high-voltage transmission lines for approximately 481 km of network (overhead and underground lines), an optical fibre network deployed along the high-voltage lines and high-voltage components of three primary substations. The company's mission is the design, construction, management, development, operation and maintenance of high-voltage electricity lines. The operation is consistent with the objectives set out in the update of the group's 2024-2028 Strategic Plan and will generate value and efficiency for the entire electricity system, enabling Terna to manage its infrastructure in a more integrated and efficient manner;
 - on 20 October 2025, the subsidiary Terna USA LLC completed the disposal of its entire interest, equal to 0.01% of the share capital, in Terna 4 Chacas S.A.C. and Terna Perú S.A.C. to Rete S.r.l.;
 - on 18 December 2025, the subsidiary Terna Forward S.r.l. completed the acquisition of a 15.4% interest in the share capital of the Italian company Hypermeteo S.r.l., an innovative start-up operating in the weather and climate services market through the development of high-resolution weather-climate datasets. The investment strengthens the group's presence in Corporate Venture Capital and enhances its portfolio of investments in technological innovation supporting the energy transition.
- with reference to the Snam group:
 - the merger by incorporation of: (i) GNL Italia S.p.A., owner of the Panigaglia regasification terminal, into Snam Energy Terminals S.r.l. (formerly Snam FSRU Italia S.r.l.); (ii) Asset Company 2 S.r.l. into Infrastrutture Trasporto Gas S.p.A.; and (iii) Emiliana Agroenergia Società Agricola S.r.l. and Società Agricola Carignano Biogas S.r.l. into BYS Società Agricola Impianti S.r.l.;
 - as well as the inclusion within the scope of consolidation of: (i) Stogit Adriatica S.p.A. (formerly Edison Stoccaggio S.p.A.), owner of three storage facilities, following its acquisition by Stogit S.p.A.; and (ii) by Consentia Project S.r.l., following the commencement of its operations in the energy efficiency sector, established in 2025.
- with reference to the Italgas group:
 - the completion, on 1 April 2025, of the acquisition of 99.94% of the share capital of 2i Rete Gas S.p.A. from the sellers F2i SGR S.p.A. and Finavias S.à r.l.; subsequently, on 16 April 2025, a share consolidation of 2i Rete Gas became effective, through which Italgas reached 100% ownership of the company's shares;
 - the merger of Acqua with Nepta, with accounting and tax effects effective from 1 January 2025;
 - the merger by incorporation of 2i Rete Gas into Italgas Reti on 1 July;
 - the disposal of the IT business unit of 2i Rete Gas, including the shareholding in IG Rete Dati, to Bludigit.

Significant assessments and assumptions to determine the scope of consolidation and whether there is control, joint control or significant influence

Line-by-line consolidation

Line-by-line consolidation involves the line-by-line use of the aggregate amounts on the balance sheets and income statements of the subsidiaries. After the allocation to non-controlling interests, reported as a separate item, of their share of equity and net income, the value of the equity investment is cancelled against the residual value of the equity of the subsidiary.

The carrying value of equity stakes in entities consolidated on a line-by-line basis held by the Parent Company or other Group companies is offset – against the assets and the liabilities of the investees – as a balancing entry of the relevant equity share pertaining to the Group.

Assets and liabilities, off-balance sheet transactions, income and expenses, as well as profits and losses between entities included into the scope of consolidation are fully eliminated, in line with the consolidation method adopted.

A subsidiary's revenues and costs are consolidated starting from the date on which control is acquired. Revenues and costs of a divested subsidiary sold are included into the consolidated income statement up to the divestment date, i.e. until

the Group no longer controls the investee. The difference between the consideration received on disposal of the subsidiary and the carrying value of its net assets at the disposal date is recognised in the income statement.

Non-controlling interests are presented in the balance sheet under the item “Non-controlling interests”, separately from liabilities and equity pertaining to the Group. In the income statement, non-controlling interests are also presented separately under the item “Net Income (loss) pertaining to non-controlling interests”.

Business combinations are accounted for using the acquisition method in accordance with IFRS 3 Business Combinations, whereby the identifiable assets acquired and the identifiable liabilities assumed (including contingent liabilities⁶²) are recognised at their respective fair values at the acquisition date, i.e. when control of the acquiree is effectively obtained. Transaction costs are generally recognised through profit or loss in the years when those costs are incurred or the services are received.

For newly acquired entities, where the initial accounting for a business combination is incomplete at the reporting date in which the combination occurs, any positive difference between the purchase consideration and net equity is provisionally recognised as goodwill; if negative, it is recognised as a liability in the statement of financial position under “Other non-current liabilities”, net of any goodwill already recognised in the financial statements of the acquired entities. In accordance with the requirements of IFRS 3 Business Combinations, paragraphs 45 et seq., any differences arising during the measurement period are allocated within twelve months from the acquisition date. If positive, the difference is recognised – after any allocation to the assets and liabilities of the subsidiary – as goodwill or other intangible assets under intangible assets. If negative, it is recognised through profit or loss.

Accounting for companies using the equity method

Associates and joint ventures are accounted for using the equity method.

Under the equity method, the investment is initially recognised at cost at the settlement date and subsequently adjusted to reflect the investor’s share of the investee’s net assets.

The difference between the value of the equity investment and the share held of the equity of the investee is included in the carrying amount of the investee.

The share of profit or loss of the investee is recognised in a specific item of the consolidated income statement.

If there is evidence of impairment, the recoverable amount of the equity investment is estimated, equal to the greater of the fair value and the value in use (present value of the future cash flows which may be generated by the investment, including the final disposal value). If the recoverable value is lower than the carrying amount resulting from the application of the equity method, the difference is recognised through profit or loss.

The consolidation of joint ventures and investments in associates was based on the most recent (annual or interim) approved figures of the companies.

Significant judgements and assumptions in determining the existence of control, joint control or significant influence

The consolidated financial statements of the CDP RETI Group include the balance sheet and income statement figures of the Parent Company CDP RETI and the companies controlled directly or indirectly by it. The scope of consolidation is defined with reference to the provisions laid down by IFRS 10, IFRS 11, IFRS 12 and IAS 28.

Subsidiaries

Entities, including structured entities, over which the Group has direct or indirect control are consolidated. Control over an entity is demonstrated by the Group’s ability to exercise powers to influence the variable returns to which the Group is exposed as a result of its relationship with that entity.

In order to assess the existence of control, the Group considers the following factors:

- the purpose and structure of the investee, in order to identify the entity’s objectives, the activities that determine its returns and how those activities are governed;
- power, in order to understand whether the Group has contractual rights that confer the ability to govern the relevant activities. To this end, only substantive rights that provide practical governance capabilities are considered;
- the exposure held in relation to the investee, in order to assess whether the Group has relationships with the investee whose returns are subject to fluctuations arising from changes in the investee’s performance;
- the existence of potential principal–agent relationships.

Where the relevant activities are governed by voting rights, the following factors provide evidence of control:

- one holds, directly or indirectly through subsidiaries, more than half of the voting rights in an entity, unless, in exceptional cases, it can be clearly demonstrated that such holding does not constitute control;

⁶² Contingent liabilities assumed at the acquisition date are recognised even where it is not probable that an outflow of resources embodying economic benefits will be required to settle the obligation (in derogation from IAS 37 Provisions, Contingent Liabilities and Contingent Assets).

- the entity holds half, or less, of the votes exercisable at general meetings and has the practical ability to govern the relevant activities unilaterally through:
 - control of more than half of the voting rights by virtue of an agreement with other investors;
 - the power to determine the entity's financial and operating policies by virtue of a statutory provision or a contract;
 - the power to appoint or remove the majority of the members of the board of directors or the equivalent corporate governance body, and the management of the entity rests with that board or body;
 - the power to exercise a majority of the voting rights at meetings of the board of directors or equivalent corporate governance body, and the management of the entity rests with that board or body. The existence of these circumstances has been verified in relation to the shareholdings held in Snam, Terna and Italgas, in respect of which de facto control has therefore been established.

The presence and the effect of potential voting rights, where substantial, are taken into account when assessing whether the power of governing another entity's financial and operational policies exists.

Subsidiaries may include any "structured entities" in which voting rights are not significant with respect to control assessment, including special purpose entities and investment funds.

Structured entities are considered as subsidiaries where:

- the Group has power through contractual rights that enable governance of relevant activities;
- the Group is exposed to variable returns resulting from the aforementioned activities.

Joint arrangements

A joint arrangement is a contractual arrangement in which two or more parties have joint control. In such arrangements, decisions about the relevant activities require the unanimous consent of all parties sharing control.

In accordance with IFRS 11 Joint Arrangements, joint arrangements are classified as either Joint Operations or Joint Ventures depending on the rights and obligations arising from the contractual arrangement.

A Joint Operation is a joint arrangement whereby the parties that have joint control have rights to the assets and obligations for the liabilities relating to the arrangement, and account for it by recognising their share of assets, liabilities, revenues and expenses.

A Joint Venture is a joint arrangement whereby the parties that have joint control have rights to the net assets of the arrangement, and the investment is accounted for using the equity method.

Associate companies

An associate is an entity over which the investor exercises significant influence and which is neither a subsidiary nor a joint venture. Significant influence is presumed to exist when the investor:

- holds, directly or indirectly, at least 20% of the share capital of another company,
- or is able, including through shareholders' agreements, to exercise significant influence through:
 - representation on the company's governing body;
 - involvement in the policy-making process,
 - including participation in decisions regarding dividends or other distributions;
 - the existence of significant transactions;
 - the exchange of managerial personnel;
 - the provision of essential technical information.

Investments in associates are accounted for using the equity method.

An associate is an entity over which the investor has significant influence, i.e. the power to participate, directly or indirectly, in the financial and operating policy decisions of the investee. Significant influence is presumed where the investor:

- owns, directly or indirectly, at least 20% of another company's share capital; or
- can, also through shareholders' agreements, exercise significant influence through:
 - representation on the board of directors or equivalent governing body of the entity;
 - participation in the policy-making process, including decisions regarding dividends or other profit distributions;
 - the existence of material transactions and/or significant operating relationships;
 - interchange of key management personnel;
 - provision of key know-how.

Equity investments in associates are measured at equity.

Equity investments in subsidiaries with significant non-controlling interests

For the purposes of preparing the following tables, an interest was considered significant if:

- non-controlling interests are greater than 50% of the share capital of the investee;
- the investee's accounts are of material significance for the reader of this report.

Non-controlling interests, availability of non-controlling interest votes and dividends distributed to non-controlling interests

(thousands of euro)		% of non - controlling interests	Availability of votes of non - controlling votes (1)	Dividends paid to non-controlling interests (2)
Company name	Registered office			
1. Italgas S.p.A.	Milan	69.80%	69.80%	230,109
2. SNAM S.p.A.	San Donato Milanese (MI)	68.65%	68.65%	273,727
3. Terna S.p.A.	Rome	70.15%	70.15%	319,048

(1) Available voting rights at Ordinary Shareholders' Meeting.

(2) including interim dividend.

Equity investments in subsidiaries with significant non-controlling interests: accounting data

(million of euro)	Non-current assets	Non-current assets held for sale	Current assets	Non-current liabilities	Current liabilities	Liabilities directly associated with non- current assets held for sale	Equity	Revenues	Net income (loss)	Comprehensive income
Company name										
1. Italgas S.p.A.	16,303	281	2,308	11,881	2,799	46	4,166	3,589	706	702
2. SNAM S.p.A.	29,177		7,823	16,821	10,901		9,278	3,885	1,267	1,338
3. Terna S.p.A.	23,799	14	6,170	15,437	6,733		7,813	4,033	1,114	1,117

I.1.4. Events subsequent to the reporting date

Disclosure on the conflict in the Middle East

The current military escalation in the Middle East, which began on 28 February 2026 and involves the United States, Israel and Iran, as well as other countries in the region (including member states of the Gulf Cooperation Council ("GCC"), such as Saudi Arabia, the United Arab Emirates, Kuwait, Qatar and Bahrain, as well as Iraq, Jordan and Lebanon), represents a geopolitical shock of global significance. Control of the Strait of Hormuz (located between Iran to the north and Oman and the United Arab Emirates to the south), through which approximately 20% of global oil supply and around 19% of liquefied natural gas transit, represents the focal point of the global energy crisis and its repercussions on the world economy. Although Europe directly imports only a limited share of these resources, the integration of global markets has triggered an immediate surge in prices. The threat concerns not only trade flows but also strategic infrastructure. Iranian attacks on oil facilities, logistics hubs and data centres have led some of the largest producers in Saudi Arabia and Qatar to scale back operations.

In response to this scenario, the international community has expressed positions oriented towards de-escalation. Western countries have increased their naval presence in the Mediterranean for defensive purposes, while, on the energy and economic front, several net-importing countries have indicated their willingness to deploy mitigation measures, such as the coordinated use of strategic reserves, to counter the impact on national budgets and contain financial market volatility.

The potential impacts of this crisis negatively affect an environment of moderate growth in 2026 for Italy and the euro area⁶³, with an inflation profile that remains relatively more moderate compared with other major economies.

In an international environment that is already fragile and fragmented, the conflict introduces significant uncertainty regarding the stability of value chains and macroeconomic developments, making it extremely difficult to formulate reliable medium-term forecasts.

With reference to the financial statements as at 31 December 2025, the European Securities and Markets Authority included, among the priorities set out in its Recommendation of 14 October 2025⁶⁴ relating to financial statements prepared in accordance with IAS/IFRS, the issue of geopolitical risks and uncertainties, emphasising the need to provide issuer-specific disclosures on how such factors affect performance and financial position and, in particular, the judgements and estimates applied in the preparation of the financial statements⁶⁵.

In accordance with IAS 10 "Events after the Reporting Period", the recent international political developments involving the Middle East, which came to a head with the outbreak of the conflict on 28 February 2026, qualify as so-called "non-adjusting

⁶³ Under the most recent baseline scenario available from leading international institutions, growth is expected to remain moderate and inflation to continue its downward trajectory. In particular, according to the latest update of the World Economic Outlook published by the International Monetary Fund, global growth is expected to remain resilient in 2026, accompanied by a further easing of inflation worldwide. This baseline scenario generally assumes that international demand does not experience a sharp contraction and that energy commodity prices continue to moderate.

⁶⁴ Public Statement ESMA "European Common Enforcement Priorities for 2025 Corporate Reporting".

⁶⁵ In this context, ESMA highlighted the importance of ensuring consistency between the narrative on geopolitical risks and the assumptions incorporated into the key accounting measurements and disclosures.

events”, i.e. events indicative of situations arising after the balance sheet date that do not require an adjustment, as they have no impact on the determination of profit or loss and equity in the consolidated financial statements as at 31 December 2025.

Similarly to previous geopolitical shocks, the economic effects of the conflict may be transmitted through several interconnected channels:

1. Direct energy price channel: increases in oil and gas prices are transmitted to the costs of fuel, electricity and energy bills for households and businesses.
2. Cost and availability of intermediate inputs channel: higher energy costs particularly affect energy-intensive sectors (chemicals, metallurgy, ceramics, glass and paper), generating cascading effects along production value chains, including agriculture.
3. Logistics channel: tensions in the region may lead to higher transport and insurance costs, as well as delays and rerouting of trade routes, with adverse effects on global value chains.
4. Trade channel: a slowdown in economic activity in Middle Eastern countries, together with a broader contraction in international trade, may negatively affect external demand.
5. Confidence channel: increased geopolitical uncertainty tends to dampen consumption and investment decisions by households and businesses.
6. Macro-financial channel: potential public support measures for households and businesses, combined with a context of heightened risk aversion, may place pressure on public finances and government bond yields.

The energy channel could represent the main transmission mechanism of the shock. Persistent tensions in the Strait of Hormuz would likely be reflected in international oil and gas prices, resulting in increased volatility and price levels higher than those assumed in the baseline scenario. For Italy, despite limited direct exposure in terms of physical volumes, the impact on energy prices could be significant, with potential effects on inflation, the costs borne by households and businesses and, indirectly, on production.

Rising energy prices could translate into higher intermediate input costs, severely affecting energy-intensive sectors (chemicals, metallurgy, ceramics, glass and paper) and agriculture, compressing corporate margins and ultimately feeding through to final prices.

Tensions in the Gulf region and neighbouring areas could increase logistical risks, affecting transport costs, insurance premiums and delivery times. These dynamics may reduce the predictability of international trade and complicate corporate production planning.

A prolonged conflict could place pressure on the economies of Gulf countries, influencing domestic demand, tourism flows and foreign direct investment, with potential negative repercussions for international trade and demand for goods from those economies.

The escalation of geopolitical tensions could adversely affect confidence levels, prompting households to increase precautionary savings and postpone consumption and investment decisions, thereby generating downward pressure on domestic demand and, consequently, on Italian GDP growth.

Finally, the conflict may also affect the macro-financial channel: a prolonged increase in energy prices could require public support measures, with potential implications for public finances. At the same time, heightened uncertainty could translate into increased volatility in financial markets and upward pressure on government bond yields, thereby affecting financing conditions for the Italian economy.

Based on the business model and operational scope of the CDP RETI Group, credit and equity exposures are predominantly concentrated in the domestic market; accordingly, the potential negative impacts of the conflict are expected to materialise mainly through indirect channels (energy prices and, more broadly, inflationary pressures, supply chains and financial market volatility).

The intensification of geopolitical tensions may result in potentially abrupt price movements in interest rates, spreads, exchange rates, equity and commodity markets, with possible effects on market volatility and funding conditions, particularly in relation to any increase in interest rates that would lead to a higher cost of debt in the short term. The general environment of uncertainty could, in particular, lead to upward pressure on government bond yields.

The CDP RETI Group will continue to monitor developments in the geopolitical environment and remains ready to assess any developments that may affect its risk management and control framework.

Moreover, in contexts of geopolitical escalation such as the one under consideration, in addition to macroeconomic and market-related channels, the relevance of operational and ICT/cyber risks may increase, including in relation to potential hybrid threats, disruptions to digital services and pressures on critical infrastructure.

The CDP RETI Group maintains governance and monitoring frameworks for ICT risk management and information security.

The sanctions framework against Iran was already extensive and complex prior to the outbreak of the conflict in the Middle East, with numerous trade and financial restrictions adopted within the framework of the United Nations, the European Union and the United States.

On 29 September 2025, the European Union adopted Regulation (EU) 2025/1975, which provided for the full reintroduction of nuclear-related restrictive measures against Iran that had previously been suspended or lifted from January 2016 following commitments undertaken under the Joint Comprehensive Plan of Action. The European Union also adopted

implementing regulations amending Regulation (EU) No. 267/2012, which establishes restrictive measures against Iran in response to sensitive nuclear activities carried out by the Islamic Republic in violation of its international obligations.

This legislative intervention followed the so-called “snapback” procedure, aimed at restoring international sanctions against Iran following the determination of a material breach of obligations undertaken under the Joint Comprehensive Plan of Action. The reinstated measures include, in particular, the freezing of funds and economic resources of designated persons and entities, the prohibition on making economic resources available and significant financial and trade restrictions.

At the United States level, sanctions against Iran constitute one of the most comprehensive and restrictive regimes globally, including the freezing of funds and economic resources of numerous individuals and entities, restrictions on access to the United States financial system and limitations on trade, energy, transport and international payments.

In 2026, the European Union sanctions regime was further strengthened through additional designations relating to human rights violations and Iran’s military support to the Russian Federation.

In light of the above, taking into account the recent outbreak of the conflict, the ongoing evolution of the situation and the uncertainty regarding the duration of military operations and future scenarios, it remains particularly challenging at present to predict the direct and indirect effects of the current geopolitical context on the macroeconomic outlook in the short and medium term and the related impacts on the activities and forward-looking performance of the Group’s companies. In the current environment, continuous monitoring of developments will therefore be required in order to assess any potential effects in subsequent financial reporting periods.

For further information, see the section “Significant Events After 31 December 2025” of the Report on Operations in the Consolidated Financial Statements.

I.1.5. Other issues

Intercompany transactions

In case of lack of specific indications provided by the IFRS and in accordance with IAS 8, which requires that, in the absence of a specific standard, the company must use its judgement in applying an accounting standard that provides relevant, reliable and prudent information that reflects the economic substance of a transaction, intercompany transactions are accounted for using predecessor basis as the same amounts of the purchased company are recognised in the financial statements of the acquirer.

As such, the contribution of the CDP controlling interest in Terna has been recognised in the consolidated financial statements of CDP RETI since 2014, at the same amounts recognised in the consolidated financial statements of the transferor.

The spin-off of Italgas from Snam in 2016 has also been accounted for in the same way, maintaining the same amounts when determining the carrying value of the Italgas equity investment in the financial statements of CDP RETI. The carrying value of the investment in Snam before the spin-off has been allocated between the post-spin-off value of the investment in Snam and the value of the investment in Italgas in accordance with the relative value approach, thus taking into account the weight that each CGU had at the acquisition date, based, in particular, on the data analysed at the time of the PPA.

Disclosure on priority issues and general considerations made by ESMA in relation to financial reports

In preparing the annual financial report as at 31 December 2025, the CDP RETI Group is required to consider the recommendations issued by European Securities and Markets Authority (ESMA) in October 2025 (“European Common Enforcement Priorities for 2025 corporate reporting”) and to pay particular attention to risks and potential impacts arising from the geopolitical environment and climate-related matters, to the extent that such effects may be material to the Group’s performance, financial position and related disclosures.

Against this backdrop, it should be noted that the current environment continues to be characterised by significant geopolitical tensions. The conflict in Ukraine, the recent instability in Venezuela, increasing trade tensions linked to tariff policies and the multiple ongoing crises in the Middle East remain key risk factors for economic stability, trade flows and energy markets. The rise in military expenditure has once again become a central element, reflecting growing instability in the global security landscape. In this context, several European countries have launched major programmes to strengthen industrial capacity in support of defence, as well as investment plans aimed at sustaining higher levels of military expenditure and related strategic infrastructure. Overall, 2025 in the euro area has been characterised by moderate growth, declining inflation and increasing geopolitical complexity, within a framework in which European policies focused on security, industrial resilience and strategic autonomy are becoming increasingly structural, with significant implications for operating conditions, investment decisions and medium-term business planning.

As regards gas prices, 2025 was marked by significant volatility, particularly at the beginning of the year when prices peaked at approximately €60/MWh before gradually normalising. From spring to autumn, prices stabilised at lower levels, supported by increased availability of liquefied natural gas (LNG) and favourable weather conditions.

Similarly to what has been observed in the gas sector, wholesale electricity prices also increased in 2025 compared to the previous year. This increase reflects the impact of gas costs on thermoelectric generation costs and the continued sensitivity of the cost structure to fluctuations in natural gas prices. Despite the diversification of supply sources, energy security remains a key concern, given that almost all gas consumed in Italy is imported from third countries.

From a financial perspective, it should be noted that, following the comprehensive update of the parameters used to calculate the WACC pursuant to the resolution issued at the end of 2024 by ARERA (Resolution No. 513/2024/R/com), the regulatory WACC for the 2025-2027 period has been set at 5.5%. It should also be noted that the regulator has confirmed the introduction of a WACC adjustment mechanism for 2026-2027 in the event that, following updates to certain parameters, the WACC changes by more than 30 basis points, either upwards or downwards. Resolution No. 476/2025/R/com, issued by ARERA in November 2025, confirmed the regulatory WACC at 5.5% for 2026.

Furthermore, during 2025, the European Central Bank continued the process of reducing interest rates initiated in 2024; in particular, since June 2024, eight rate cuts have been implemented, totalling more than 2%. Key factors to be monitored in the coming months include developments in international trade policies, monetary policy decisions, the geopolitical environment and economic growth trends, all of which may potentially increase financial market volatility.

Complementary to the above, it is important to note that in recent years, evidence of the impact of climate change on various industrial sectors has increased significantly, and many economic sectors will be negatively affected by permanent changes in temperature, precipitation, sea levels, and more generally by the extent and frequency of extreme weather events. In the energy sector, changes in average and extreme temperatures could lead to an increase in demand for energy in the summer and a decrease in demand in the winter; the final balance will, of course, depend on geographical, socio-economic and technological factors. On the supply side, climate change may adversely affect energy infrastructure in certain geographical areas.

More generally, climate-related risks are systemic in nature, with cascading effects across the wider economy. The World Economic Forum, in its annual Global Risks Report published in January 2026, identified extreme weather events among the most significant threats to humanity in both the short term (1–2 years) and the long term (10 years).

With specific reference to the variables characterising the current environment, an ongoing assessment is required of the potential impacts that such context may have on the operations of the CDP RETI Group; with regard to the Group's companies, the following should be noted:

- As an investment vehicle, CDP RETI S.p.A. could mainly be affected by the valuation of the controlling interests in its portfolio, which account for more than 90% of its balance sheet assets.
- For the Snam group, given the nature of its business, risks linked to political, social and economic instability in natural gas supply countries, particularly in relation to gas transportation, remain highly significant. A significant portion of the natural gas transported through the Italian national network is historically imported or transits through countries in the MENA (Middle East and North Africa) region (notably Algeria, Tunisia and Libya, as well as, in the context of the TANAP-TAP corridor, Turkey together with Eastern Mediterranean countries) and the former Soviet bloc, all of which are subject to varying degrees of political, social and economic instability. The Russia–Ukraine conflict continues to disrupt global and regional energy dynamics, increasing uncertainty regarding gas flows from these areas. Furthermore, escalating tensions in the Middle East have further complicated the geopolitical landscape, increasing the risk of disruptions in natural gas supply. Such turbulences may not only have a negative impact on the European economy, but also introduce additional challenges in managing energy supply sources. Snam will continue to monitor the geopolitical context, including potential consequences and their impact on the group. In response to these developments, the Snam group has focused on securing supply by improving flexibility and ensuring the gas infrastructure is adequately scaled. The actions undertaken include purchasing new floating regasification units (FSRUs) and upgrading the existing infrastructure. In particular, the “Italis LNG” regasification terminal, acquired in June 2022 and located in Piombino, began operations in July 2023, while the “BW Singapore” regasification terminal, acquired in July 2022 and moored approximately 8 km off the coast of Ravenna, commenced operations in May 2025. Furthermore, work has begun on the Adriatic Line, Snam's new gas pipeline along the North-South route in Italy. Should shippers utilising the transportation service through Snam's networks be unable to complete the supply or transport of natural gas from or through these countries due to the occurrence of the aforesaid adverse conditions, or are affected by them to an extent that causes or worsens the inability to fulfil their contractual obligations towards Snam, this may produce adverse impacts on the business and on the performance and financial position of the Snam group. Notwithstanding a geopolitical environment characterised by multiple sources of uncertainty, the Snam group continued in 2025 its path of industrial and financial strengthening. Snam completed, without delay, its 2025 investment plan, one of the most significant in its history, while ensuring continuity of operations. In this context, the start-up of the new import point represented by the FSRU terminal offshore Ravenna, which became operational in May 2025, increased national regasification capacity by 5 bcm⁶⁶. With regard to Gas Infrastructure, within the Transportation, Regasification and Storage business, both operational and investment activities continued uninterrupted throughout 2025. In particular: (i) on 3 March 2025, the acquisition of 100% of Edison Stoccaggio, subsequently renamed Stogit Adriatica, was completed; (ii) on 28 April 2025, the BW Singapore regasification vessel successfully completed the commissioning activities of the Ravenna plant, in full compliance with the planned timetable, enabling the commencement of commercial operations in May.

⁶⁶ Billion cubic metres.

- The Terna group continuously monitors developments in the international geopolitical environment, characterised by increasing fragmentation of the global order and the re-emergence of competition among major powers. Tensions in regions strategic for European energy balances, together with growing instability in the wider Mediterranean area, represent potential risk factors for security of supply, continuity of supply chains and infrastructure resilience. In this context, the Terna group remains focused on the execution of planned investments and, to date, no factors have emerged that would require reassessment of the appropriateness of the going concern assumption. This assumption is supported by the fact that the majority of the group's revenues is derived from Regulated Activities in Italy, which provide for the remuneration of both operating costs and invested capital, based on a WACC periodically reviewed by ARERA to reflect the cost of capital. The current regulation also provides for the indexation of operating costs recognised in the tariff and the RAB, in order to capture inflationary trends. In line with its role as coordinator of the national energy transition, Terna has set out in its strategic plans a series of actions aimed at addressing the challenges posed by climate change, identifying:
 - within the Ten-Year Development Plan, initiatives for the development and strengthening of the electricity grid, including cross-border interconnections, aimed at ensuring the integration of renewable energy sources;
 - within the Security Plan, the tools required to ensure the security and reliability of the electricity system in a context characterised by increasing penetration of renewable sources and the phase-out of thermoelectric plants, with consequent challenges relating to system inertia and voltage regulation;
 - within the Maintenance and Renewal Plan for electrical assets, targeted actions to improve asset reliability through the identification and preventive resolution of early warning signals that could develop into faults.

Across these plans, the Resilience Plan, annexed to the Security Plan, encompasses all initiatives aimed at enhancing the resilience of the electricity grid to severe weather events, which are increasing in both intensity and frequency, causing damage to infrastructure and interruptions in the supply to facilities connected to the National Transmission Grid (RTN). The Resilience Plan includes, in particular, preventive infrastructure measures, as well as capital-light technological solutions aimed at mitigating risks to the grid, in addition to system restoration and monitoring measures. In this context, the development of innovative technologies through structured collaborations with start-ups (Open Innovation) is also highlighted, with a focus on monitoring weather events and enhancing the resilience of the National Transmission Grid (RTN). Within this framework, the Terna group, as a Transmission System Operator (TSO) active in transmission and dispatching services, represents a key player in supporting the energy system in achieving ambitious CO₂ emission reduction targets. In particular, in addition to emissions related to SF₆ gas management and electricity consumption, the most significant component of Terna's Scope 1 and Scope 2 emissions is represented by network losses, which give rise to an indirect impact linked to the need to generate additional energy to offset such losses. Although the Scope 1 and Scope 2 emissions of a TSO are relatively limited, they are significant in terms of the potential system-wide reductions enabled by the integration of renewable energy sources and the evolution of electrification processes. In this context, the Terna group has formally adopted an environmental policy reflecting a voluntary and proactive commitment to reducing and mitigating the environmental impact of its activities, going beyond regulatory requirements without prejudice to other general interests established by the concession. This policy is implemented through initiatives aimed at reducing CO₂ emissions, limiting SF₆ gas losses, improving energy efficiency and protecting biodiversity. Environmental protection is also extended across the entire supply chain and to local communities involved in the development of the national transmission grid, through the implementation of compensatory measures increasingly aligned with eco-sustainability principles.

The Terna group has also defined a Circular Economy Strategy, leading to the development of a roadmap of initiatives through to 2030.

With regard to major projects (e.g. Tyrrhenian Link, Adriatic Link, Sa.Co.I.3, Elmed and GR.ITA.2), for which procurement processes for converter stations and cable connections are ongoing or contracts are under execution, potential impacts cannot be excluded arising from changes in the economic balance of suppliers, which may result in requests for increases in contractual consideration or, where applicable, adjustments based on predefined indexation mechanisms. Such risks are mitigated through tailored management of supplier contracts.

- The Italgas group, through its 2025-2031 Strategic Plan presented in October 2025, has reaffirmed its commitment to innovation across all industrial and process aspects, enabling it to anticipate future trends and translate them into key drivers of the energy transition. Advanced digital solutions and artificial intelligence represent, and will continue to represent, the main strategic levers to strengthen not only the gas distribution business but also the water and energy efficiency sectors, in which the Italgas group is a leading operator.

Risks and uncertainties

CDP RETI and the Group's companies are still required to strengthen the process of identifying and assessing potential risks to which they may be exposed, including, in the case of climate risks, longer time horizons than those generally used in financial risk evaluations.

As of 31 December 2025, CDP RETI S.p.A. does not have financial assets or liabilities with ESG-linked components on its balance sheet and, in general, is not materially exposed to credit risk, which primarily arises from receiving dividends from subsidiaries and trading derivative instruments (for which cash collateral is exchanged), bank deposits, and irregular deposits with its parent company, CDP S.p.A.

Regarding exposure to interest rate risk, the Company has two hedge accounting transactions (IRS) with the parent company, CDP S.p.A. (both completed in November 2024), to hedge the interest rate risk on the variable rate [Term Loan] (also finalised in November 2024), whose Mark to Market is affected by interest rate fluctuations. The transactions include

a cash collateral exchange, and as of now, there are no foreseen risks that could interfere with the hedge accounting. At present, IRS are not being used to hedge future issuances that could be affected by an increase in interest rates.

Based on the latest forecasts, CDP RETI S.p.A.'s income taxes and deferred taxation are not anticipated to show significant volatility; instead, they are expected to grow in the coming years.

Notwithstanding the above and despite the ongoing monitoring of the events by Management, it is not possible to rule out with absolute certainty, that the geopolitical context may have a negative impact on CDP RETI S.p.A., which at present, given the information available, cannot be reliably estimated.

With regard to the companies within the CDP RETI Group, the following key risks and uncertainties are highlighted:

- For the Snam group, interest rate risk is related to fluctuations in interest rates that affect the market value of the entity's financial assets and liabilities, the level of net finance costs and, specifically, the level of revenues recognised in relation to regulated businesses. As at 31 December 2025, the Snam group utilises external financial resources in the form of bond issues, Commercial Paper and bilateral and syndicated loan agreements with banks and other lending institutions, in the form of financial liabilities and bank credit facilities bearing both floating interest rates linked to market benchmarks and fixed interest rates. As at 31 December 2025, Snam has outstanding Interest Rate Swap (IRS) derivative contracts to hedge exposure to interest rate risk on variable-rate bank loans and bond issues. While the Snam group has put in place a proactive risk management policy, in accordance with the revenue recognition mechanism, the rise in interest rates relating to floating-rate debt not hedged might have adverse impacts on the Snam group's business and balance sheet and cash flow situation.

Notwithstanding the relatively limited exposure to interest rate fluctuations, potential changes in the methodology for calculating reference rates and the related fallback clauses may require the Snam group to amend the relevant financial contracts and/or manage the impact on projected cash flows.

With regard to liquidity risk, diversification of funding sources, including through the use of sustainable finance instruments, is therefore essential to ensure that the Snam group maintains broad access to financial markets at competitive costs, with positive effects on the economic, equity and financial position of the companies. For Snam, failing to achieve certain ESG targets within the group's sustainability strategy in the medium to long term could, in the future, result in higher financing costs or the inability to access certain funding sources. Snam addresses this risk by placing great emphasis on ESG issues, which have traditionally been a significant part of the company's strategy. Consistent with this approach, Snam has increasingly made use of sustainable finance instruments, leveraging its Sustainable Finance Framework, which is structured with a dual format combining the issuance of green and sustainability-linked financial instruments, with the aim of reinforcing the Snam group's ongoing commitment to the energy transition. The Snam group's main long-term financial liabilities include covenants in line with international market practice, including, inter alia, negative pledge and pari passu clauses. Failure to comply with such covenants, as well as the occurrence of other events, such as cross-default events, may result in events of default for Snam and could trigger early repayment of the related borrowings, potentially giving rise to additional costs and/or liquidity constraints. The commitments do not contain any covenants that mandate adherence to economic and/or financial ratios.

Snam has also entered into Supply Chain Finance agreements with leading financial institutions aimed at supporting its suppliers in the efficient management of liquidity. The aforementioned agreements do not have any impact on the group's cash flows.

With specific reference to the risk of commodity price fluctuations, Snam is exposed, due to the nature of its operations, to a limited risk from commodity price fluctuations. However, minor exposures persist in certain business segments, mainly related to the price of gas. Despite the limited impact at the consolidated level, Snam enters into derivative instruments to hedge the aforementioned risk.

Finally, within the framework of integrated enterprise risk management, Snam adopts a Risk Management model under which climate-related risks (both physical and transition risks) are also identified and managed, assessed across different time horizons and related reference objectives (short term (≤ 1 year), with reference to the annual budget; medium term (≤ 5 years), with reference to the Strategic Plan covering up to five years; and long term (> 5 years), primarily with reference to the ten-year network development plan submitted to the Authority).

- With regard to the Terna group, the current geopolitical environment is characterised by high levels of uncertainty which, while not having immediate effects on the group's operations, may influence its medium-term development prospects. The evolving geopolitical context has not led to an increase in credit risk nor has it affected the measurement of expected credit losses; the Terna group's trade receivables fall within the "held to collect" business model, are predominantly short-term (within 12 months) and do not contain a significant financing component. Additionally, these relate to customers (holders of dispatching contracts for withdrawal or injection and distributors), considered solvent by the market and with a high credit rating. In addition, credit risk management is regulated by ARERA Resolution No. 111/06, which includes provisions aimed at mitigating risks related to the insolvency of dispatching customers, both as a preventative measure and when insolvency is realised.

Potential pressures on the cost of materials or services, linked to geopolitical tensions or disruptions in global supply chains, do not represent a material risk for the Terna group, as price adjustment mechanisms provided by regulation are fully recognised in the Regulatory Asset Base (RAB) for the purposes of calculating the return on investments.

In the course of its operations, the Terna group is exposed to the risk of fluctuations in interest rates. Its main source of interest rate risk is associated with its net financial debt and the related hedges in the form of derivative instruments that generate financial expenses. The borrowing strategy generally focuses on long-term borrowings, whose term

reflects the useful life of the group's assets. It pursues an interest rate risk hedging policy that aims to guarantee that percentage of debt represented by fixed rate liabilities is at least 40%, as provided for in the relevant policies.

The Terna group also considers that supply chain risk may arise from potential significant changes in the strategies of key suppliers. This risk is heightened by the global supply chain crisis driven by international conflicts, the imposition of tariffs, supply constraints, the ongoing energy transition in numerous countries and the adaptation of technical specifications to new regulations. Such risks may have potentially significant effects on construction and maintenance activities, impacting service continuity and quality, as well as project completion timelines. The group continuously monitors developments in the supply chain to promptly identify any critical issues and implement appropriate corrective measures. It should also be noted that Terna S.p.A. and its subsidiaries do not have offices or significant operations in regions affected by conflicts, nor do they have significant commercial relationships with the United States of America. With specific reference to climate risks, within Regulated Activities, a portion of the remuneration for transmission and dispatching services is subject to incentive-based regulatory mechanisms linked to specific targets, the achievement of which may be affected by climate-related risks, such as the increasing frequency of extreme weather events, with potential impacts on the continuity and quality of services provided by Terna. The group monitors these risks and, at present, has not deemed it necessary to revise the estimates relating to such incentives.

With regard to Non-Regulated Activities, particularly in the Energy Services sector, in light of the portfolio of products and services aimed at promoting the development of renewable energy in Italy, including the construction and operation of photovoltaic plants, grid connection infrastructure and services for industrial customers, as well as activities in the production of cables and transformers, the Terna group has not identified any new uncertainties that would affect the current revenue recognition model, nor is there any need to reassess existing contracts.

In relation to financing arrangements and bond issues, the Terna group has in place certain bank facilities containing ESG-linked provisions, a Commercial Paper programme (short-term debt instruments issued to qualified investors) enabling the issuance of both conventional notes and ESG Notes, as well as Green and European Green Bond issuances.

In this context, the Terna group considers that a risk may exist, albeit not significant, in relation to the potential failure to achieve ESG targets. Failure to meet such targets within the contractually agreed timeframe would result in a limited increase in the cost of debt, with a negligible impact on finance costs. All activities related to climate change are subject to continuous monitoring and, at present, no critical issues have been identified.

With reference to the medium to long term, the Terna group has also identified potential risks primarily linked to its role as a Transmission System Operator (TSO), arising from the adaptation of the electricity grid through initiatives aimed at enhancing resilience and facilitating alignment with the evolving profile and energy mix of sources injected into the grid. With specific reference to the grid and the related transmission service, the actions defined require a structured process of planning, authorisation and implementation of investments aimed at delivering projects designed to meet current and future requirements for the integration of renewable energy sources, while ensuring the reliability, security, adequacy and efficiency of the electricity system. Such initiatives include, inter alia, cross-border interconnections and the development of infrastructure to support increasing integration of renewable energy sources. Furthermore, as defined in its Risk Framework, the Terna group is exposed to risks associated with the increasing severity of weather events (such as tornadoes, heavy snowfall, ice formation, flooding and wildfires), which may affect the continuity and quality of the service provided and/or cause damage to equipment, machinery and grid infrastructure. In response, the group continues to implement investments aimed at enhancing grid resilience and identifying the most effective tools to mitigate such risks.

With regard to Non-Regulated Activities, the group is engaged in the development of innovative and digital technological solutions to support the energy transition. In particular, these activities include those carried out by the Tamini group and the Brugg Cables group, operating respectively in the power transformer and underground cable sectors, as well as Energy Services and connectivity offerings. In addition, dedicated tools have been developed for the analysis and definition of new initiatives aimed at mitigating climate-related risks. In particular, Terna has adopted the "Resilience Methodology" (Annex A76 of the Grid Code), an innovative probabilistic tool that positions the Terna group among key players in climate change assessment at both national and European level. This methodology supports the planning of interventions to enhance the resilience of the National Transmission Grid (RTN), quantifying expected benefits in terms of reduced energy not supplied, particularly in relation to severe weather events such as heavy snowfall and high-intensity winds. In response to the risk associated with the increasing intensity and frequency of extreme weather events, the Terna group may benefit from the patentability of the innovative solutions described above, thereby generating potential development opportunities within its Non-Regulated Activities.

- The Italgas group considers the risks and uncertainties arising from the current geopolitical context, identifying the potential effects these may have on valuations, estimates and sensitivity analyses, and monitoring their possible impacts on the group's financial position and performance. Italgas has established an Internal Control and Risk Management System within which the Enterprise Risk Management (ERM) function is responsible for overseeing the integrated risk management process. The ERM function focuses on defining a consistent and cross-functional risk assessment model, identifying key risks, ensuring the consolidation of mitigation actions and developing a group-wide reporting system.

With regard to interest rate risk, fluctuations in interest rates may affect the market value of the Italgas group's financial assets and liabilities, as well as the level of net financial charges. An increase in interest rates that is not fully reflected in the regulatory WACC may have adverse effects on the group's operations and financial position, particularly in

relation to the variable component of existing debt and future financing. Italgas' aim is to maintain a fixed-to-floating rate debt ratio that minimises the risk of a rise in interest rates.

With specific reference to liquidity risk, the Italgas group, also in light of its current investment plans and transactions expected in the short term, does not anticipate any significant adverse impacts. This is based on the fact that: (i) the Company holds adequate liquidity deposited with leading banks; (ii) in May and June 2025, three variable-rate bank loans with a three-year maturity were entered into with leading banks; and (iii) as at 31 December 2025, Italgas has a Euro Medium Term Notes (EMTN) programme in place, in addition to and in support of bank funding.

With regard to default risk and financial covenants, as at 31 December 2025 no financing agreements contain financial covenants, with the exception of the EIB loan entered into by Toscana Energia, which requires compliance with certain financial covenants.

Some financing agreements include, inter alia, for the following: (i) negative pledge commitments pursuant to which Italgas and its subsidiaries are subject to limitations on pledging as collateral or placing other restrictions on all or part of the respective assets, shares or merchandise; (ii) *pari passu* and change-of-control clauses; and (iii) limitations on certain non-recurring transactions that Italgas and its subsidiaries may carry out. At 31 December 2025, these commitments had been met. The bonds issued by Italgas as at 31 December 2025 under the EMTN programme provide for compliance with covenants in line with international market practice.

Failure to comply with the obligations under such financings, in some cases only where such breach is not remedied within the prescribed cure periods, as well as the occurrence of other events, such as, by way of example, cross-default events, some of which are subject to specific materiality thresholds, may give rise to events of default for Italgas and may result in the immediate repayment of the relevant borrowings. As concerns EIB financing, the contracts contain a clause whereby, in the event of a significant loss of concessions, this must be notified to the EIB, leading to a consultation period after which the EIB may demand early repayment of the loan. These cases are carefully monitored by the Italgas group in the context of financial management and business performance.

The Italgas group also monitors climate-related risks through its ERM system, distinguishing between physical risks, associated with the increasing frequency of extreme weather events and rising average temperatures in the areas of operation, and transition risks, related to evolving emissions regulation, technological developments and uncertainty regarding the future role of natural gas in the energy mix. With regard to physical risks, Italgas continuously monitors the integrity of its infrastructure and employs innovative technologies to promptly identify potential issues and mitigate impacts on service continuity. Transition risks are managed through investments in technological innovation, network digitalisation and the adaptation of infrastructure to support the distribution of alternative gases, such as hydrogen, biomethane and e-gas, as well as through energy efficiency and emission reduction initiatives. Rising temperatures and transition dynamics may affect the number of active delivery points and revenues; however, such effects are mitigated by regulatory mechanisms introduced by ARERA, which provide for revenue adjustments. Similarly, demand risk is mitigated by revenue stabilisation mechanisms embedded in the current natural gas distribution tariff framework. Similarly, due to the systematic monitoring of its assets and the areas in which they are located, the Italgas group is able to proactively identify potential situations that could give rise to contingent liabilities related to climate risks.

Impairment test

As previously mentioned, as an investment vehicle, CDP RETI S.p.A. could mainly be affected by the valuation of the controlling interests in its portfolio. Accordingly, at each reporting date, an assessment is performed to identify any indicators (so-called trigger events) that could suggest the carrying value of the investment is not fully recoverable. If such indicators are detected, an impairment test is carried out to determine the recoverable amount of the investments, which is then compared to their carrying value to assess the need for any impairments. In relation to the variables defining the current situation, it is still essential to evaluate the potential impacts that this environment may have on the operations of the Company.

Specifically, to assess the equity investment's recoverable amount, understood as the higher of the fair value net of cost of sales and its value in use (so-called value in use), in the event of one or more impairment indicators, the Company determines the relative fair value (calculated as the weighted average of stock prices and volumes from the last month up to the valuation date).

Regarding exposure to climate-related risks, CDP RETI S.p.A. currently faces a limited overall exposure, and there have been no impacts to date on the estimation of the recoverable amount (nor are such impacts anticipated in the short term) of the equity investments held in its portfolio due to climate-related issues.

In relation to the CDP RETI Group companies, the following is highlighted:

- With reference to the Snam group, the analyses performed identified impairment indicators and, consequently, the need to test the recoverable amount of the SeaCorridor and Interconnector CGUs; the investment in *Terminale GNL Adriatico* [LNG Adriatic Terminal] is, instead, among the CGUs subject to impairment testing for the first time as at 31 December 2025. With regard to foreign investees, during 2025 Russian gas supplies to Europe, already at marginal levels compared with pre-conflict volumes, further declined significantly from January 2025 following the non-renewal of the transit agreement through Ukraine. This reduction was offset by withdrawals from storage and increased LNG supplies. Thanks to ongoing diversification of supply sources and investments in supply security, no significant disruptions or critical issues have been recorded within Snam's international asset portfolio.

With respect to the Austrian entities TAG (jointly controlled entity) and GCA (associate), no updates were noted in the regulatory methodology, which had already been approved in 2024 and applies to the 2025-2027 regulatory period. The current framework has significantly revised the previous regulatory regime and, inter alia, provides for the elimination of volume risk for both TSOs and introduces compensatory mechanisms borne by the companies, effective from 2025. This change has enabled TAG to return to profitability after several years of negative results influenced by changes in supply dynamics. With regard to the Middle East, the conflict in the Gaza Strip does not currently have direct impacts on Snam's assets or on the operations of the pipeline connecting Israel and Egypt (EMG, an associate).

- For the Terna group, the analysis of the geopolitical context, including potential impacts arising from ongoing conflicts and emerging areas of instability, did not identify any trigger events requiring impairment testing of property, plant and equipment or intangible assets with finite useful lives.

Climate risk mitigation actions are also reflected in the maintenance planning of the National Transmission Grid (RTN), aimed at ensuring service quality, asset safety (lines and substations) and performance levels. In addition to standard maintenance programmes, Terna carries out targeted interventions to mitigate risks arising from the increasing intensity and frequency of adverse weather events. Terna has assessed that such investments do not reduce or alter expectations regarding the economic benefits associated with the use of the existing network recognised as property, plant and equipment. Accordingly, no revision of the useful lives of assets recognised in the financial statements was required.

- For the Italgas group, the carrying amount of property, plant and equipment and intangible assets is periodically reviewed; in the case of goodwill, intangible assets with indefinite useful lives and intangible assets not yet available for use, such assessment is performed at least annually and whenever there is an indication of possible impairment. In 2025, impairment testing was performed for all cash-generating units (CGUs) and no impairment losses were identified.

During the year, no impairment indicators were detected, nor were there any significant changes in the assessment of the recoverability of the carrying amount of property, plant and equipment. With regard to investments accounted for using the equity method, the group performed recoverability testing for all such investments, notwithstanding the absence of impairment indicators.

Global Minimum Tax Disclosure

Legislative Decree No. 209 of 27 December 2023 ("Pillar II rules" or "global minimum tax"), with effect from the 2024 tax year, introduced a minimum effective tax regime for domestic and multinational groups at a rate of 15% for each jurisdiction in which they are located, providing for the application of a top-up tax in cases where the effective tax rate per country, with the adjustments provided for by the implementing rules, is lower than the aforementioned minimum tax rate.

During 2024 and 2025, the Pillar II regulations were supplemented, inter alia, by i) the Ministerial Decree of 20 May 2024, pursuant to which – for the three-year period 2024–2026 – any supplementary tax due in a given jurisdiction is presumed to be zero if companies located there meet at least one of the three requirements set out in the regulation ('Transitional Safe Harbour' or 'TSH' regulation), ii) by the Ministerial Decree of 1 July 2024 containing the implementing provisions for the introduction of the national minimum tax ("QDMTT"), iii) by the implementing Ministerial Decrees of 11 October 2024, 20 and 27 December 2024 aimed at providing clarifications and implementing provisions, iv) the Ministerial Decree of 16 October 2025, by which Italy transposed the European standard model for Substantial Disclosure, a reporting tool compliant with Council Directive 2025/872 ("DAC 9"), and, finally v) the Ministerial Decree of 7 November 2025, which regulates the payment and reporting obligations for supplementary taxes.

At the same time, the OECD has also published further Administrative Guidance (June 2024 and January 2025), containing a number of clarifications, together with a list of countries with transitional status as having legislation that qualifies for the purposes of applying the tax. Finally, on 5 January 2026, the 'Side-by-Side package' was published, introducing significant measures aimed at simplifying the application of the global minimum tax for multinational groups, with a view to striking a balance between tax collection and the reduction of administrative burdens, whilst safeguarding legitimate tax incentives, i.e. those linked to real investments.

For the purposes of the consolidated financial statements of the CDP Group and the CDP RETI Group as at 31 December 2025, the scope relevant for the purposes of Pillar II regulations has been updated on the basis of the companies forming part of the CDP Group (within which CDP RETI S.p.A. qualifies as a Partially Owned Parent Entity or "POPE") at the balance sheet date. The estimate of the additional tax due was made with reference to jurisdictions with a tax rate of less than 15%, identified by applying – where possible, in accordance with the "once out, always out" principle – the TSH regulations to the relevant scope. The CDP Group comprises approximately 450 entities located in around 70 jurisdictions with an effective tax rate generally exceeding 15%. For the purposes of the consolidated financial statements of the CDP RETI Group as at 31 December 2025, a supplementary tax of an immaterial amount (i.e. 0.2 million euro) is estimated in relation to a Group company located in a jurisdiction that reported an effective tax rate of less than 15%.

Operating segment information

Geopolitical uncertainties (e.g. trade tensions) and climate-related matters have not resulted in changes to the Group's operating segments, the application of aggregation criteria or the disaggregation of revenues, and therefore have had no impact on the disclosures required under IFRS 8 Operating Segments.

For further information on the operating segments of the CDP RETI Group, reference should be made to section “VIII – Segment information”.

Further considerations

With regard to other financial reporting matters identified by ESMA as areas requiring continued focus in terms of assessment and judgement, including:

- reassessment of provisioning methodologies;
- volatility in energy product prices;
- GHG Emissions;
- onerous contracts;

These matters have been considered by the companies of the CDP RETI Group in the preparation of their annual financial statements, and no issues have emerged that would require additional specific assessments or further disclosures beyond those already included in the Notes to the financial statements.

1.2. MAIN ITEMS OF THE CONSOLIDATED FINANCIAL STATEMENTS

The IFRS classification and measurement standards adopted for drawing up the Annual Report of the CDP RETI Group are shown below.

Property, plant and equipment

Property, plant and equipment refer to non-current assets which are consistently used in the course of the Company's business.

Property, plant and equipment and other operating property, plant and equipment are governed by IAS 16. Investment property (land and buildings) is governed by IAS 40. Property acquired and held for subsequent resale is governed by IAS2.

Property, plant and equipment include: (i) within natural gas transportation activities, the value relating to the quantities of natural gas injected to enable the commissioning of pipelines; such quantities are measured using the weighted average purchase cost method. In particular, the portion of these quantities that is no longer recoverable (so-called “Initial line pack”) is depreciated over the useful life of the related asset. Conversely, the commercial component, which may be sold on the market or used for alternative purposes (so-called “Operating line pack”), is not depreciated, as by its nature it is not subject to depletion; (ii) within natural gas storage activities, the portion of gas injected into storage wells intended to constitute the so-called “Cushion gas”.

Also included are rights of use acquired under a lease and relating to the use of property, plant and equipment (for the lessees)⁶⁷. Property, plant and equipment are initially recognised at acquisition cost or production cost and stated at the purchase price or transfer price or production cost, inclusive of any directly attributable ancillary charges incurred to make the asset ready for use. Should a legal or implicit obligation arise, the cost shall be increased by the estimated present value of all charges incurred to dismantle, remove the asset and restore the site. The corresponding liability is recognised under provisions for risks and charges. Estimates of dismantling costs, discount rates and the dates when those costs are expected to be incurred are restated at every annual reporting date.

The purchase/transfer price or the production cost also includes financial expenses directly linked to the acquisition, construction or production of the asset. When a substantial period of time is required for an asset to be ready for use, borrowing costs incurred during the period necessary to prepare the asset for its intended use are capitalised as part of the asset's cost. Penalties from suppliers relating to the purchase or construction of an asset are recognised as a direct reduction of the asset's cost, except where the penalty is to be accounted for as a reimbursement, namely when the reimbursed costs are clearly identifiable and were incurred due to delays suffered by the purchaser, the compensation is payable regardless of whether the asset is delivered, and the agreement expressly provides for damages to compensate for loss of profit arising from contractual delays.

Repair and maintenance costs incurred after the acquisition date are recognised as an increase in the carrying value of the item they refer to if it is probable that future economic benefits associated with that item will flow to the entity and the cost of the item can be reliably measured. Costs relating to items acquired for safety or environmental purposes are also capitalised, even though they do not directly increase the future economic benefits of existing assets, as they are necessary for the conduct of business operations. All other costs are recognised through profit or loss when incurred.

Costs for improvements, modernisation and transformation that increase the value of property, plant and equipment are recognised in the asset side of the balance sheet when it is probable that they will increase the expected future economic benefits. Items purchased for security or environmental purposes that, while not directly increasing the future economic benefits expected from existing assets, are necessary to obtain benefits from other property, plant and equipment, are also recognised under balance sheet assets.

⁶⁷ For the accounting treatment of leased assets, reference should be made to the specific paragraph “Leases” in the “Other information” section.

The subsequent measurement of property, plant and equipment is at cost, net of accumulated depreciation and impairment (the latter in accordance with IAS 36).

Assets are systematically depreciated on a straight-line basis over their useful economic life (i.e. the expected period of time during which an asset remains useful to the entity), starting from the moment they are available and ready for use in the production process. The amortised value is the carrying amount, minus the expected net realisable value at the end of its useful life, if significant and reasonably measurable. Therefore, the depreciation allowances for each year charged to the income statement are calculated by the CDP RETI Group at the rates listed below, which are considered adequate to represent the residual useful life of each asset. Assets subject to free transfer are depreciated over the term of the concession or over their useful life, if shorter.

At every annual or interim reporting date, the recognised carrying amount of the asset is tested for impairment. If impairment indicators are present, the carrying amount of the asset is compared with its recoverable amount, with the latter being the greater of fair value less the costs of disposal, and the associated value in use of the asset (that is the discounted value of the future cash flows originated by the asset). If the carrying amount is higher than the recoverable amount, the difference is recognised in the income statement. If the reasons for which impairment was recognised cease to exist, the impairment loss is reversed. The adjusted value may not exceed the value that the asset would have had, net of the depreciation calculated in the absence of previous impairment.

Items/Figures %	Min.	Max
Buildings	2.0%	20.0%
Furnitures	6.0%	6.0%
Electrical plant	10.0%	20.0%
Plant and machinery:	0.0%	0.0%
- Power lines	2.0%	20.0%
- Transformation stations	2.0%	7.0%
- Gas pipelines	2.0%	2.0%
- Power stations	5.0%	10.0%
- Gas reduction and regulation	5.0%	5.0%
- Pipelines	2.0%	2.0%
- Processing stations	4.0%	20.0%
- Compression stations	5.0%	5.0%
- Storage wells	1.7%	20.0%
- Regasification	4.0%	4.0%
Industrial and commercial equipment	10.0%	33.3%
Other assets	5.0%	33.0%
Other plant and equipment	2.0%	33.3%

When an asset included under property, plant and equipment consists of significant components that have different useful lives, each of those components is depreciated separately (component approach). The useful life of the assets is reviewed annually and if expectations differ from previous estimates, changes in the depreciation schedule are accounted for prospectively.

Land and buildings are considered to be separable assets; therefore, they are treated as separate assets for accounting purposes, even if purchased together. Land is considered to have an indefinite life and, as such, is not depreciated.

Assets under construction and advances are composed of advances or expenses incurred in respect of items of property, plant and equipment that have not been completed or are undergoing testing before entering service. Since they have not yet entered the company's production cycle, depreciation is suspended.

Property, plant and equipment items are derecognised on disposal or when no future economic benefits are expected from their use or disposal; any gain (loss) on disposal is recognised through profit or loss.

The Terna group's property, plant, and equipment also include assets pertaining to private interconnections as specified in Law 99/2009. The regulations require the Group to develop and manage such works on behalf of Selected Entities willing to finance specific interconnections in exchange for the benefits derived from obtaining an exemption decree from third-party access to the transmission capacity made available by the relevant infrastructure.

Additionally, the regulation provides that, after the exemption period, generally set at 10 years from the commissioning date, Terna will regain ownership of the interconnections upon payment of a fee determined by the Authority.

The existence of a binding commitment to purchase the asset means that the property, plant, and equipment related to the interconnectors are recognised as part of the Group's assets. The agreed compensation with the selected entities for the construction and operation of the interconnection is therefore recognised as revenue for the effort made by the Group in structuring the operation and for granting use of the asset during the exemption period.

Intangible assets

According to IAS 38, intangible assets are identifiable assets without physical substance that are controlled by an entity and whose cost can be measured reliably and from which future economic benefits are expected to flow to the entity. Intangible assets, as defined above, are held to be used for a multi-year period or an indefinite period.

Intangible assets are initially recognised at cost including incidental expenses and are amortised over their estimated useful life (period over which an asset is expected to be available for use by an entity), which, at the end of each financial year, is assessed to check the adequacy of the estimate. The amortised value is the carrying amount, minus the expected net realisable value at the end of its useful life, if significant and reasonably measurable. Borrowing costs directly attributable to the acquisition, construction or production of an intangible asset that qualifies for capitalisation pursuant to IAS 23 are capitalised on the asset as part of its cost.

Development costs are capitalised only if: (i) they can be reliably measured, (ii) there is the technical possibility and intention to complete the intangible asset so that it can be available for use, (iii) there is the capacity to use the intangible asset, (iv) it is possible to demonstrate that it will generate probable future economic benefits.

All other development costs and all the research expenditure are recognised through profit or loss when incurred.

Subsequent measurement of intangible assets is at cost, net of accumulated amortisation and any impairment (the latter in accordance with IAS 36).

Intangible assets are amortised over a period representing the residual useful life, considering the high level of obsolescence of these assets.

If there is objective evidence that the intangible asset is impaired, a test is performed to determine the adequacy of the carrying amount of the asset. Consequently, the carrying amount of the asset is compared with its recoverable amount, with the latter being the greater of fair value less the costs of disposal, and the associated value in use of the asset (construed as the discounted value of the future cash flows originated by the asset). If the carrying amount is higher than the recoverable amount, the difference is recognised through profit or loss. If the reasons for which impairment was recognised cease to exist, the value of the asset is written back. The adjusted value may not exceed the value that the asset would have had, net of the amortisation calculated in the absence of previous impairment.

Intangible assets include assets associated with public-private Service Concession Agreements relating to the development, financing, management and maintenance of infrastructure under concession arrangements, under which the granting entity:

- controls or regulates the services provided through the infrastructure by the operator, and the prices charged;
- controls, through ownership, beneficial entitlement or otherwise, any significant residual interest in the infrastructure at the end of the concession.

This category includes concession service arrangements relating to Italgas in connection with the public service of natural gas and other gas distribution and the integrated water service, namely arrangements under which the operator undertakes to provide the public natural gas distribution service or the public water transport and distribution service at the tariff established in Italy by the Energy Networks and Environment Regulator (ARERA), and in Greece by the Regulatory Authority for Energy, Waste and Water (RAEWW or PAAEY, each individually or jointly the "Authority"), holding the right to use the infrastructure, controlled by the grantor, in order to provide the public service, as well as tangible and intangible assets dedicated to electricity dispatching activities carried out under concession by the Terna group.

Intangible assets include goodwill, regulated by IFRS 3 and defined as the difference between the price paid for a transaction related to a business combination and the fair value of identifiable net assets acquired. If this difference is negative (badwill) or if the goodwill is not justified by the future earnings capacity of the investee, the difference is recognised in the income statement.

Goodwill generated from the acquisition of subsidiaries is allocated to each identified cash generating unit (CGU). Within the CDP RETI Group, the CGUs correspond to the individual legal entities. Goodwill is tested for the adequacy of its carrying amount. An impairment test is performed annually on goodwill, or whenever there is evidence of impairment. This involves comparing the carrying amount of goodwill and the recoverable amount of the CGUs to which the goodwill is attributed. If the carrying amount of goodwill is higher than the recoverable amount of the CGU, the difference is recognised through profit or loss. If the reasons for the impairment cease to exist, any reversals of the impairment loss are not accounted for and consequentially, the initial goodwill value is not reinstated.

Goodwill related to equity investments in associated companies and joint ventures is included in the carrying amount of such companies. Negative goodwill is recognised through profit or loss at the time of the acquisition.

Intangible assets also include industrial patent and intellectual property rights, concessions, licenses, trademarks and similar rights and development costs.

The carrying amount of storage concessions, representing the natural gas reserves contained in the reservoirs (so-called "Cushion Gas"), is not depreciated because:

- (i) the volume of such gas is not altered by storage activities and,
- (ii) the economic value of the gas recoverable at the end of the concession, in accordance with the Ministerial Decree of 3 November 2005 "Criteria for determining adequate compensation for the remuneration of assets allocated to a

concessionaire for natural gas storage” issued by the Ministry of Productive Activities (MAP), is not lower than the carrying amount recognised in the financial statements.

Intangible assets are derecognised when future economic benefits are no longer expected from their use or when sold; any gain (loss) on disposal is recognised through profit or loss.

Equity investments

“Equity investments” includes investments in subsidiaries (according to IFRS 10), in associates (according to IAS 28) and in joint ventures (according to IFRS 11).

Subsidiaries are companies in which the CDP RETI Group holds, either directly or indirectly, more than half of the voting rights in the Shareholders’ Meeting to appoint Directors or, in any event, when CDP RETI exercises the power to determine financial and operating policies (including de facto control).

Associates are companies in which the CDP RETI Group holds, either directly or indirectly, at least 20% of the voting rights or, even with a lower voting interest, companies over which the CDP RETI Group has significant influence, which is defined as the power to participate in determining financial and operating policies, but without exercising either control or joint control.

Joint ventures involve companies where control, by means of a contractual arrangement, is shared between the CDP RETI Group and one or more parties, or when decisions about the relevant activities, which have a significant impact on returns, require the unanimous consent of the parties involved in the contractual arrangement that have control over the company.

Associates and joint ventures are included in the consolidated financial statements from the date on which significant influence or joint control begins and until such time as that situation ceases to exist.

Equity investments are initially recognised at cost, as at the settlement date, including costs or revenues that are directly attributable to the transaction.

Equity investments in associates or joint ventures are initially recognised at cost at the settlement date and subsequently accounted for using the equity method, where the original cost of the equity investment is adjusted (up or down) according to: (i) the investor’s share of the profit (loss) (recognised in the consolidated income statement) for the portion realised by the investee after the acquisition, (ii) the investor’s share of changes in the items of the other comprehensive income of the investee, realised after the acquisition, (iii) the dividends received from the investee and (iv) the investor’s share of changes in the equity of the investee other than the previous ones.

The same provisions governing business combinations apply to acquisitions. Consequently, the difference between the acquisition price and the portion of acquired equity is allocated based on the fair value of the identifiable net assets of the associate. Any unallocated excess amount is considered as goodwill. The higher allocated price is not presented separately, but is included in the carrying value of the equity investment (“equity method”). Any positive difference between the value of the portion of equity of the investee and the cost of the equity investment (Badwill) is recognised as income. Application of the equity method also considers the treasury shares held by the investee.

Equity investments are tested for impairment at each balance sheet date or when events occur that may suggest a reduction in value.

Evidence of impairment, based on the existence of qualitative and quantitative indicators, as illustrated hereunder, and in accordance with the internal policies, differs where these involve equity investments in companies whose shares are or are not listed on active markets.

An impairment test is performed when the aforementioned indicators exist, in accordance with the provisions of IAS 36. This test is aimed at estimating the recoverable amount of the equity investment and comparing it with its carrying value to determine the recognition of any impairment losses.

In particular, the impairment process for the Consolidated Financial Statements is performed in line with what is done for the separate financial statements of the Group companies. With reference to listed equity investments, it should be noted that assessment of objective evidence of impairment for the purposes of the separate financial statements is supplemented by verifying the existence of a market price of at least 40% lower than the carrying amount of the investment in the consolidated financial statements.

In this case, and in particular for the parent company CDP RETI, taking into account the characteristics of the investment portfolio, as well as the role of long-term investor, at least the following indicators are considered impairment indicators/objective evidence of impairment:

- the recognition of losses⁶⁸ or significantly lower results than budgeted (or forecast in multi-year plans), if, after specific analyses, they are relevant due to their effects on the estimate of expected future cash flows in any impairment test preparation;
- Significant financial difficulties of the investee company and/or the likelihood that the investee company declares bankruptcy or undergoes other financial restructuring procedures

⁶⁸ The recognition of losses may not be considered relevant if it is in line with the budget and/or strategic plan objectives of the equity investment (e.g. investments recently made); on the contrary, losses attributable to cases provided for by the Italian Civil Code (e.g. Articles 2446, 2447) are always considered relevant.

- The distribution of a dividend by the investee company that exceeds the total other comprehensive income (or overall profitability for financial companies) for the period⁶⁹.

With reference to listed equity investments, the following are also considered indicators of impairment:

- a reduction in the market price exceeding the carrying value in the consolidated financial statement by over 40%;
- a market price below the carrying value for a period of 24 months;
- a rating downgrade of at least four *notches* from the time when the equity investment was made, if assessed as relevant and significant, in conjunction with other available information⁷⁰.

If the recoverable amount is lower than the carrying amount, the difference is recognised through profit or loss. If the reasons causing the impairment cease to exist, the impairment losses are reversed. These reversals have to be recognised through profit or loss up to the amount of the previous impairment. Consequently, the reduction in the previously recognised impairment loss upon write-back of the value of the equity investment may not exceed the carrying value that would have existed if no impairment had been previously recognised. Both the impairment and the reversals of impairment are recognised in the income statement.

In assessing any reversals of impairment losses on assets previously impaired, as a general rule and unless specific circumstances apply, the recoverable amount of the asset is presumed to have increased significantly if:

- it exceeds the carrying amount by at least 5%; and
- the higher value is observed for at least three consecutive reporting dates.

These conditions are regarded as indicators that the criteria for a reversal of impairment are met.

The recoverable amount determined when performing the impairment tests of the separate financial statements in relation to investments in subsidiaries is used to assess any impairment of net assets belonging to cash flow generating units (CGUs). The same considerations apply to equity investments. This assessment is carried out in compliance with the provisions of IAS 36.104 and 36.105.

The investor's interest in any losses of the investee that exceed the carrying value of the equity investment is recognised in a specific provision, to the extent that the investor is committed to meeting the legal or constructive obligations of the investee, or otherwise cover its losses, in compliance with the provisions of IAS 28⁷¹.

Equity investments are derecognised when the contractual rights to the cash flows deriving from ownership of the equity investments expire or when they are sold, substantially transferring all risks and rewards connected with them.

Financial assets

The following financial assets are recognised under current and non-current financial assets:

1. financial assets measured at fair value through profit or loss (FVTPL);
2. financial assets measured at fair value through other comprehensive income (FVTOCI);
3. financial assets measured at amortised cost;
4. hedging derivatives.

The classification is determined on the basis of:

- the business model identified for the management of the financial activity (the so-called "Business Model");
- the contractual characteristics relating to the cash flows of the financial asset, i.e., whether the cash flows generated by the financial asset consist solely of payments of principal and interest accrued based on the principal amount to be repaid.

The Business Model for the management of financial assets determines whether the cash flows will arise (i) from the receipt of cash under the contract, (ii) from the sale of financial assets, or (iii) both.

This process (so-called "Solely Payments of Principal and Interest" or "SPPI test") is used to verify whether the instrument generates cash flows exclusively from principal and interest payments.

1. Financial assets measured at fair value through profit or loss (FVTPL)

This item includes the following financial assets measured at fair value through profit or loss:

- "Financial assets held for trading" including debt securities, equities, loans, units of UCIs included in Business Model Other/Trading, and also derivatives not designated as hedging instruments;

⁶⁹ The indicator takes into account the distribution of a dividend greater than the other comprehensive income result (or overall profitability for financial institutions) on which the dividend is paid (for instance, dividends declared in 2024, representing the distribution of net profit for 2023, that exceed the total other comprehensive income for 2023).

⁷⁰ The downgrade of the equity investment's credit rating is not, in itself, evidence of impairment, although it may be an indication to that effect; therefore, such a trigger is considered relevant only when activated together with at least another impairment trigger.

⁷¹ See Commission Regulation (EU) 2019/237 of 8 February 2019, published in Official Journal L.39 of 11 February 2019, amending Regulation (EC) No. 1126/2008 adopting certain international accounting standards in accordance with Regulation (EC) No. 1606/2002 of the European Parliament and of the Council as regards International Accounting Standard IAS 28.

- “Financial assets designated at fair value” including debt securities and loans, measured at fair value through profit and loss in accordance with IFRS 9 (i.e. the fair value option), which allows a financial asset to be irrevocably measured at fair value through profit or loss if, and only if, this will eliminate or significantly reduce an accounting mismatch;
- “Other financial assets mandatorily measured at fair value” including debt securities, equity securities, units of UCIs and loans, i.e. those assets other than those measured at fair value through profit or loss, which do not meet the requirements for classification at amortised cost, at fair value through other comprehensive income or which are not held for trading. They are substantially represented by those financial assets whose contractual terms provide for periodic flows that are not represented by solely payments of principal and interest (thus characterised by the failure to pass the SPPI test), or those assets that do not comply with the business model terms of the portfolio measured at amortised cost or at fair value through other comprehensive income.

Financial assets held for trading, as indicated, include financial derivatives not designated as hedging instruments, operational hedging derivatives, as well as embedded derivatives in complex financial contracts, whose host contract is a financial liability, which were recognised separately because:

- the financial characteristics and risks are not closely related to the characteristics of the underlying contract;
- the embedded instruments, even when separated, meet the definition of derivative;
- the hybrid instruments that they belong to are not measured at fair value through profit or loss.

Operational hedging derivatives are those derivatives which are not part of effective hedge accounting but are held to meet operational hedging requirements where the company aims to align the measurement criterion with respect to the assets and/or liabilities associated with them.

As with financial assets held for trading, the derivatives financial instruments fair value can be both positive or negative, as such, derivatives are classified among FVTPL financial assets if their fair value is positive and among FVTPL financial liabilities if their fair value is negative.

Financial assets measured at fair value through profit or loss are initially recognised on the trade date for derivative contracts, on the settlement date for debt securities, equities, and units of UCIs, and on the disbursement date for loans. An exception is represented by those securities whose delivery is not governed by conventions on the market concerned, for which initial recognition is at the subscription date.

Upon initial recognition, financial assets measured at fair value through profit or loss are recognised at fair value, which generally equals the transaction price, net of transaction costs or income that are immediately recognised through profit or loss.

Subsequent measurement is at fair value, with recognition of the measurement results in the item “Financial income (expense)” in the income statement. The fair value is determined based on the official prices as of the reporting date if the financial instruments are listed on active markets. For financial instruments, including equity securities, not listed on active markets, fair value is determined by using measurement techniques and information available on the market, such as the price of similar instruments on an active market, discounted cash flows, option pricing models and values registered in recent similar transactions. For equity securities and related derivative instruments not listed in an active market, the cost method is used as an estimate of fair value only in a residual manner and limited to a few circumstances, i.e. in case of non-applicability of all the aforementioned measurement methods, or in the presence of a wide range of possible measurements of fair value, within which the cost is the most significant estimate.

Reclassifications to other categories of financial assets are not permitted, unless, as regards financial assets held for trading, the business model is changed. In this case, all affected financial assets will be reclassified, according to the rules provided for in IFRS 9.

Financial assets measured at fair value through profit or loss are derecognised when payment is received, when the contractual rights to the cash flows expire, or a sale transfers all the risks and rewards connected with ownership to a third party. Conversely, when a significant portion of the risks and rewards associated with the transferred financial assets is retained, the asset remains on the financial statements, even if legal title has been effectively transferred.

In cases where it is not possible to verify the substantial transfer of risks and rewards, financial assets are derecognised from the balance sheet if any kind of control over the assets has been maintained. Conversely, the preservation of such control, even if it is only partial, results in maintaining the assets on the balance sheet to an extent equal to the residual involvement.

Transferred financial assets are derecognised even if the contractual rights to receive the related cash flows are retained, in the presence of a simultaneous obligation to transfer such flows, and only those, without material delay to other third parties.

2. Financial assets measured at fair value through other comprehensive income (FVTOCI)

The item “Financial assets measured at fair value through other comprehensive income” includes financial assets represented by debt securities and loans that meet both of the following conditions:

- the financial asset is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets (Business Model Held to Collect and Sell);
- the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Under this item are also recognised those equity instruments that are in compliance with the provisions of IAS 32, which are not held for trading and for which the option, granted by the standard, of recognising the subsequent changes in the fair value of the instrument through other comprehensive income (FVTOCI option) has been irrevocably exercised⁷².

Initial recognition of the item under examination occurs on the settlement date for debt securities and equities and on the disbursement date for loans.

Financial assets measured at fair value through other comprehensive income are initially recognised at fair value, which generally corresponds to the transaction price, including any expenses and income attributable to the transaction.

Subsequent to the initial recognition, financial instruments traded in active markets are measured at their fair value determined on the basis of official prices on the reporting date. For financial instruments, including equity securities, not listed on active markets, fair value is determined by using measurement techniques and information available on the market, such as the price of similar instruments on an active market, discounted cash flows, and values recorded in recent similar transactions. For equity securities not listed in an active market, the cost method is used as an estimate of fair value only in a residual manner and limited to a few circumstances, i.e. in case of non-applicability of all the afore-mentioned measurement methods, or in the presence of a wide range of possible measurements of fair value, within which the cost is the most significant estimate.

The profits and losses resulting from changes in fair value of debt instruments and loans are recognised in the statement of comprehensive income and recorded in the item Valuation reserves, in equity, until the financial asset is derecognised.

With reference to such assets, namely financial assets that do not constitute equity instruments, upon derecognition any gains and losses previously recognised in other comprehensive income are reclassified from equity to profit or loss.

Interest on the debt instruments and on receivables is recognised through profit or loss according to the amortised cost method, which is based on the effective interest rate, i.e. the rate that discounts the estimated future receipts (and any payments) during the expected life of the financial instrument at the gross carrying value of the financial asset.

These instruments are also subject to tests on the significant increase in credit risk (impairment) under IFRS 9, with consequent recognition in profit or loss of an impairment loss to cover the expected losses. In particular, an expected loss for the 12 months following the reporting date is recognised on initial recognition and at each subsequent reporting date, on instruments classified in stage 1 (i.e. on non-credit-impaired financial assets at the time of their origination, and on instruments which do not show a significant increase in credit risk compared to initial recognition). Conversely, an expected loss measured throughout the residual maturity of the financial instrument is recorded on those instruments classified in stage 2 (performing financial assets for which there has been a significant increase in credit risk compared to initial recognition) and in stage 3 (non-performing exposures) an expected loss is recognised, calculated over the entire remaining life of the financial instrument.

For financial assets that are performing (stages 1 and 2) impairment is calculated based on the risk parameters represented by probability of default (PD), loss given default (LGD) and exposure at default (EAD). If, in addition to a significant increase in the credit risk, there is also objective evidence of impairment (events that have a negative impact on estimated cash flows), the financial asset is impaired (stage 3) and the amount of the related impairment is measured as the difference between the gross carrying value of the asset and the current value of the expected cash flows, discounted at the original effective interest rate.

Losses and recoveries arising from the impairment process are included in the income statement.

No reclassifications to other categories of financial assets are allowed, unless the business model is changed. In this case, all affected financial assets will be reclassified, according to the rules provided for in IFRS 9.

On the other hand, for equity instruments an irrevocable election may be made to recognise changes in fair value in other comprehensive income (FVTOCI).

Exercising the FVTOCI option for equity instruments entails different recognition rules from those previously described for debt securities, specifically:

- the amounts recognised in the fair value reserve, which includes gains and losses arising from changes in the fair value of the asset, are never reclassified to profit or loss, not even on derecognition, at which point such amounts are transferred solely from the fair value reserve to retained earnings;
- all exchange rate differences are recognised in the equity reserve and are therefore charged to other comprehensive income;
- IFRS 9 does not envisage impairment rules for these equity instruments.

Dividends received from these instruments are recognised through profit or loss, except where they clearly constitute a repayment of a portion of the investment cost.

Financial assets measured at fair value through other comprehensive income are derecognised when payment is received, when the contractual rights to the cash flows expire, or a sale transfers all the risks and rewards connected with ownership to a third party. When a significant portion of the risks and rewards associated with the transferred financial assets is retained, the asset remains on the financial statements, even if legal title has been effectively transferred.

⁷² Fair Value Through Other Comprehensive Income option.

In cases where it is not possible to verify the substantial transfer of risks and rewards, financial assets are derecognised from the balance sheet if any kind of control over the assets has been maintained. Conversely, the preservation of such control, even if it is only partial, results in maintaining the assets on the balance sheet to an extent equal to the residual involvement.

Transferred financial assets are derecognised even if the contractual rights to receive the related cash flows are retained, in the presence of a simultaneous obligation to transfer such flows, and only those, without material delay to other third parties.

Where a financial asset is derecognised in its entirety, IFRS 9 provides that, at the time of derecognition, the difference between the carrying value (determined at the derecognition date) and the consideration received shall be recognised through profit or loss.

Before derecognition, therefore, a final valuation of the asset's carrying amount (at fair value at that date) is carried out, consistently with the measurement method previously applied, in order to align the financial asset with its fair value, with the corresponding entry recognised in equity. The carrying amount is then compared with the proceeds received and the resulting difference represents the effect on profit or loss.

3. Financial assets measured at amortised cost

The item "Financial assets measured at amortised cost" includes debt securities and loans that meet both of the following conditions:

- the financial asset is held within a Business Model (so called Held To Collect) whose objective is to hold financial assets in order to collect contractual cash flows; and
- the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Specifically, this item includes receivables from banks, or other parties, deriving from loans, leases⁷³, factoring transactions, debt securities, etc.

"Financial assets measured at amortised cost" are initially recognised on the settlement date as regards debt securities or on the disbursement date as regards loans.

Initial recognition is at fair value, which generally equals the transaction price, including any expenses and income attributable to the transaction.

After initial recognition, these assets are measured at amortised cost, equal to the value that the financial asset was measured at on initial recognition minus any principal repayments, plus or minus the accumulated amortisation, according to the effective interest method of any difference between that initial amount and the maturity amount, adjusted for any loss allowance. The effective interest rate is the rate that, at the time of initial recognition, discounts the estimated future receipts (and any payments) for the expected lifetime of the financial asset at its gross carrying value, which includes the directly attributable transaction costs and the fees paid or received by the contracting parties.

In some cases, the financial asset is considered impaired at initial recognition as the credit risk is very high and, if it is purchased, this may be done with significant discounts (assets known as POCI i.e. "Purchased or Originated Credit Impaired"). In that case, for purchased or originated financial assets that are credit-impaired at initial recognition, a credit-adjusted effective interest rate is calculated for the credit risk, including the expected losses on initial loans within the financial flow estimates.

The amortised cost method is not used for loans whose short-term duration means that discounting is considered to have a negligible effect. This measurement rule is also used for loans without a specific expiration date or demand loans.

Financial assets measured at amortised cost are subject to the calculation of an expected credit loss allowance (so-called "Expected credit losses" or "ECL") under IFRS 9 rules and the amount of such losses is recognised through profit or loss. In particular, an expected loss at one year is recognised on initial recognition and at each subsequent reporting date, on instruments classified in stage 1 (i.e. on non-credit-impaired financial assets at the time of their origination, and on instruments which do not show a significant increase in credit risk compared to initial recognition). Conversely, an expected loss measured throughout the residual maturity of the financial instrument is recorded on those instruments classified in stage 2 (performing financial assets for which there has been a significant increase in credit risk compared to initial recognition) and in stage 3 (non-performing exposures) an expected loss is recognised, calculated over the entire remaining life of the financial instrument.

For financial assets that are performing (stages 1 and 2), impairment is calculated based on the risk parameters represented by probability of default (PD), loss given default (LGD) and exposure at default (EAD). If, in addition to a significant increase in the credit risk, there is also objective evidence of impairment (events that have a negative impact on estimated cash flows), the financial asset is impaired (stage 3) and the amount of the related impairment is measured as the difference between the gross carrying value of the asset and the current value of the expected cash flows, discounted at the original effective interest rate.

The expected cash flows take account of estimated recovery times and the expected realisable value of any guarantees.

⁷³ For the treatment relating to leases, reference should be made to the specific paragraph "Leases" in the section "Other information".

The amount of the loss to be recognised through profit or loss is calculated based on an analytical assessment process or for categories of the same kind and thus attributed analytically to each position and takes account of forward-looking information and possible alternative recovery scenarios. With specific reference to trade receivables, in order to measure the expected losses, an assessment is carried out using the so-called "simplified approach" provided by IFRS 9 or – by virtue of the absence of a significant financial component - by estimating the expected losses over the life of the receivable (so-called "ECL lifetime"). In addition, in the event of credit exposures in litigation and in the presence of available detailed information about the recoverability of the exposure, analytical assessments are carried out in order to better reflect the actual riskiness of the position in determining the expected credit losses.

If the reasons for the impairment no longer apply following an event after initial recognition, then impairment reversals are charged through profit or loss.

Financial assets measured at amortised cost are derecognised when payment is received, when the contractual rights to the cash flows expire, or a sale transfers to a third party all the risks and rewards connected with ownership of the transferred asset. Conversely, when a significant portion of the risks and rewards associated with the transferred financial assets is retained, the asset remains on the financial statements, even if legal title has been effectively transferred.

In cases where it is not possible to verify the substantial transfer of risks and rewards, financial assets are derecognised from the balance sheet if any kind of control over the assets has been maintained. Conversely, the preservation of such control, even if it is only partial, results in maintaining the assets on the balance sheet to an extent equal to the residual involvement.

Transferred financial assets are derecognised even if the contractual rights to receive the related cash flows are retained, in the presence of a simultaneous obligation to transfer such flows, and only those, without material delay to other third parties.

It is also possible, over the maturity of financial assets, and specifically for financial assets measured at amortised cost, that they are subject to renegotiation of the contract terms. In that case, it is necessary to determine whether the contractual amendments result in the derecognition of the original instrument, with consequent recognition of a new financial asset, or in the recognition through profit or loss of the difference between the gross carrying value of the pre-amended financial instrument and the restated financial asset (modification).

In the absence of specific IFRS 9 guidance, the analysis necessary to identify possible amendments that give rise to derecognition rather than modification may sometimes involve significant elements of judgment. In general, changes to a financial asset lead to its derecognition and the recognition of a new asset when they are of a substantial nature.

In general, changes to a financial asset, when substantial in nature, lead to its derecognition and the recognition of a new asset, also for Originated Credit Impaired positions.

On this basis, a comprehensive but not exhaustive list has been identified to include possible events that represent a substantial change to the terms of the existing financial asset, introducing a different nature of the risks and resulting in derecognition.

The list is as follows:

- change in the counterparty: this includes novation or the replacement of the counterparty by another obligor (succession), because these changes lead to a change in the credit risk;
- change in the reference currency (because it introduces a different risk profile than the original exposure);
- debt-to-equity swap: the lender and the obligor may, as an alternative to other types of renegotiation, agree to extinguish the original debt through a substantial change in the nature of the debt-to-equity swap;
- introduction of new contractual clauses that result in failure of the SPPI test (e.g. leverage, indexing to parameters not related to the time value of money and credit risk, inverse rates, and financial covenants that result in failure of the test or other similar clauses);
- *acceptance in lieu*, whose repayment depends on the fair value of an asset;
- substantial change in the discounted value of cash flows (the change is considered substantial when the present value of cash flows from the new asset, discounted using the original effective interest rate, differs significantly from the present value of the remaining cash flows of the original financial asset);
- changes granted to performing customers, which provide for the use of market parameters to redetermine the financial conditions of the loan agreement, including changes granted in the context of renegotiations carried out under conditions that would apply to new loans;
- other cases of substantial change in the nature of the contract, such as the introduction of contractual clauses that expose the obligor to new risk components, such as returns linked to equity or commodity components, leverage or other similar clauses.

In the event of changes not deemed significant, which therefore do not come under the case of derecognition, but for which the modification is applied, the gross value is redetermined by calculating the current value of the cash flows resulting from the renegotiation, at the original internal rate of return of the exposure. In general, subject to modification, are those financial assets exposed to changes that are not carried out at normal market conditions and that are typically carried out with the aim of maximising the recovery of future cash flows due, relating to existing exposures (e.g. exposures whose credit risk has deteriorated significantly since the date of initial recognition).

Below is a non-exhaustive list of the main changes to the previous contractual terms:

- reduction of the interest rate;
- extension of the maturity of the loan;
- reduction of part of the exposure;
- introduction of payment holidays (grace period/payment moratorium);
- payment of interest only;
- capitalisation of arrears/interest.

Contractual changes to a financial asset for which the derecognition rules are applied will have the following accounting impacts:

- derecognition of the financial asset and recognition of a new financial asset;
- subjecting the new financial asset to a new assessment in terms of classification and measurement (business model and SPPI test);
- identification of the date of new recognition as the origination date;
- recognition of the new asset at its fair value; recognition of any gain or loss equal to the difference between the fair value of the new asset and its carrying value at the time of derecognition of the existing asset, except for level 3 fair value financial assets as envisaged by IFRS 9;
- classification of the new asset in the relevant stage, at the initial recognition date, and verification, in subsequent reporting periods, of any deterioration in credit risk.

If there are contractual changes to a financial asset for which the rules of modification without derecognition apply, in accordance with IFRS 9:

- reassessment in terms of classification and measurement is not required: the SPPI test is only performed on initial recognition of the instrument and there is no subsequent reassessment of this initial assessment;
- the gains or losses resulting from the modification are calculated as the difference between the gross carrying value of the pre-modified financial asset and its restated gross carrying value (corresponding to the present value of the renegotiated or modified cash flows, discounted at the financial asset's original effective interest rate, i.e. before the modification), adjusted where applicable in the case of hedging transactions;
- any deterioration in the credit risk of the modified financial asset is analysed by comparing it with the credit risk at the asset's original recognition date, before the modification.

4. Hedging derivatives

Financial assets include derivatives which have a positive fair value at the reporting date. Derivatives with negative fair value are recognised in the balance sheet under other financial liabilities.

Hedging transactions

Hedging transactions are executed to hedge contingent losses that are attributable to a specific risk and which can be found in a specific element or group of elements, should that particular risk effectively materialise.

As permitted by paragraph 7.2.21 of IFRS 9, CDP RETI has decided to apply the provisions on hedging from IAS 39 rather than those from Chapter 6 of IFRS 9, to be used for its separate financial statements, the consolidated financial statements of the CDP RETI Group, as well as its own half-yearly financial statements.

In accordance with IAS 39, hedging instruments are derivatives or, limited to the hedging of foreign currency risk, non-derivative financial assets or liabilities whose fair value or cash flows are expected to offset the changes in fair value or cash flows of a designated hedged position [IAS 39, paragraphs 72-77 and Appendix A, paragraph AG94]. A hedged item is an asset, liability, firm commitment, a highly probable forecast transaction, or a net investment in a foreign operation that:

- exposes the company to the risk of a change in fair value or future cash flows;
- is designated as being hedged [IAS 39, paragraphs 78-84 and Appendix A, paragraphs AG98-AG101].

The effectiveness of the hedge is the extent to which the changes in fair value or cash flows of the hedged position that are attributable to a hedged risk are offset by the changes in fair value or cash flows of the hedging instrument [IAS 39, Appendix A, paragraphs AG105-AG113].

When a financial instrument is classified as a hedging instrument, the following are to be formally documented:

- the relationship between the hedging instrument and the hedged item, including the risk management objectives;
- the hedging strategy,
- the methods to be used in order to verify the hedge effectiveness.

Accordingly, both at the inception of the hedge and throughout its life, the change in the fair value of the derivative is analysed in order to determine whether it is highly effective in offsetting the changes in fair value of the hedged item.

A hedge is deemed to be highly effective if the changes in fair value of the hedged item or in the expected cash flows attributable to the risk being hedged are almost entirely offset by the changes in fair value of the hedging derivative.

At each annual or interim reporting date, the effectiveness is assessed through specific prospective and retrospective tests capable, respectively, of demonstrating the expected effectiveness and the level of effectiveness achieved.

If the hedge is not effective as described above, the hedging instrument is reclassified under financial instruments held for trading, while the hedged item continues to be measured in accordance with the criteria defined for its category. Hedge accounting also ceases when the hedging instrument expires, is sold or exercised or when the hedged item expires, is sold or is repaid. The termination of hedge accounting may apply to the entire hedging relationship or only a part of it; in the latter case, the termination of hedge accounting is partial rather than complete.

Hedging derivatives are initially recognised at their fair value on the contract date. In particular:

- for fair value hedge, the change in the fair value of the hedged item is offset by the change in the fair value of the hedging instrument. This offsetting is accounted for by recognising the changes in value through profit or loss, relating both to the hedged item (for the changes generated by the underlying risk factor) and to the hedging instrument. Any difference, which represents the partial ineffectiveness of the hedge, consequently represents the net profit or loss effect. The recognition through profit or loss of the change in fair value of the hedged item, attributable to the risk hedged, is also applied if the hedged item is a financial asset measured at fair value through other comprehensive income; if there were no hedging, this change would be recognised in equity;
- for cash flow hedge, the changes in fair value of the derivative are recognised, net of the tax effect, in specific "Valuation reserves" of equity, for the effective portion of the hedge, and are only recognised through profit or loss when there is a change in the cash flows to be offset for the hedged item. The amount of the gain or loss of the hedging instrument considered ineffective is recognised through profit or loss. This amount is equal to any excess of the accumulated fair value of the hedging instrument with respect to the related fair value of the instrument hedged; in any event, the fluctuation of the hedged item and the related hedge must be kept within the range of 80%-125%;
- hedges of a net investment in a foreign operation are accounted for in the same way as cash flow hedges.

In the case of highly likely future transaction hedges, if, during the life of a derivative, the expected hedged cash flows are no longer considered as highly probable, the portion of that instrument recognised in the "Valuation reserves" of equity is immediately recycled through profit or loss. Conversely, if the hedging instrument is transferred or no longer qualifies as an effective hedge, the portion of the item "Valuation reserves" representing the changes in the fair value of the instrument recognised up to that point are retained in equity and reversed to profit or loss in accordance with the classification criterion described above, in conjunction with the recognition of the financial effects of the transaction originally hedged.

In the case of cash flow hedges, if the hedging relationship ends, for reasons other than the sale of the hedged items, the accumulated revaluation/write-down recognised in the consolidated balance sheet (under financial assets or liabilities) is recognised through profit or loss under interest income or expense, over the residual maturity of the hedged financial asset or liability.

If these assets and liabilities are sold or redeemed, the amount of fair value not amortised is recognised immediately in the income statement.

Hybrid bond instruments

The non-convertible perpetual hybrid bond issuances from the Terna group are classified as equity-like instruments.

In fact, are instruments for which the payment of interest can be deferred over time, and their early repurchase is allowed upon the occurrence of certain events or on the reset date. These are instruments that cannot be converted into shares, and in the event of liquidation, dissolution, or insolvency of the company, the payment of coupons will be subordinated to all other payment obligations of the issuer.

The consideration received from the sale of the instruments and the subsequent capital repayments are accounted for as increases and decreases in equity, in accordance with the provisions for equity instruments under IAS 32. Interest expenses are recorded as a decrease in equity once a payment obligation is incurred.

Trade receivables

Trade receivables are initially recognised at fair value and subsequently measured at amortised cost, using the effective interest rate method, net of any impairment losses recognised in specific bad debt provisions.

Impairment losses are calculated by applying the simplified approach under IFRS 9, based on which trade receivables, separated into specific clusters according to the regulatory framework, are applied an impairment model based on expected losses for collective assessment. For trade receivables deemed individually significant and with reference to which accurate information is available on the considerable increase in the credit risk, in the context of the simplified model, an analytical approach was applied. Impairment losses related to the impairment of trade receivables (and the related recoveries) are recognised through profit or loss in the item "Net impairment (recoveries) of trade receivables and other receivables".

Receivables due within normal commercial terms are not discounted.

Trade receivables are derecognised when the contractual rights to the associated cash flows have been realised, have expired or been sold.

Inventories

Inventories, including compulsory stock, are stated at the lower of their purchase or production cost and their net realisable value, represented by the amount that the business expects to obtain from their sale in the normal course of its activities,

net of the costs estimated for completion and for the execution of the sale. The cost of natural gas inventories⁷⁴ is determined by applying the average cost method.

Cash and cash equivalents

Cash and cash equivalents are measured at fair value.

This item mainly includes cash in hand, cash at banks or with Cassa Depositi e Prestiti S.p.A. following the stipulation of a deposit agreement, as well as other short-term financial assets with a maturity of no more than three months from the date of purchase, which can readily be converted into cash with no collection charges and that are subject to an insignificant risk of changes in value.

Cash and cash equivalents take account of the interest accrued on the amounts, albeit not yet paid.

Non-current assets held for sale/Discontinued operations

The balance sheet items “Non-current assets held for sale” and “Liabilities directly attributable to assets held for sale” include the assets or groups of assets/liabilities whose carrying value will be recovered mainly through sale rather than through their continuous use. For these assets, the CDP RETI Group Companies must be committed to plans to dispose of the asset (or group of assets) and must have initiated programmes to locate potential buyers, such that a sale can be considered highly probable.

To be able to classify an asset (or group of assets) as available for sale, the following is also required:

- the asset can be readily exchanged in the market at a price considered reasonable in relation to its fair value at the current date;
- the sale is expected to be completed within one year from the date of classification, except as permitted by paragraph 9 of IFRS 5;
- the actions required to complete the plan to dispose of the asset do not indicate that it is unlikely to be completed.

A discontinued operation is a component of an entity that either has been disposed of, or is classified as held for sale, and:

- represents a major line of business or geographical area of operations;
- is part of a single coordinated plan to dispose of a separate major line of business or geographical area of operations; or
- is an equity investment exclusively acquired with a view to resale.

The non-current assets (or disposal groups) are presented separately from the balance sheet items “Other assets” and “Other liabilities”. The corresponding balance sheet values for the previous financial year are not reclassified in the statement of financial position. Initial recognition is done in compliance with the specific IFRS as applicable to each associated asset and liability while, subsequently, they are recognised at the lower of their carrying value and fair value (net of costs to sell), without any depreciation/amortisation being recognised. The corresponding balance sheet values for the previous financial year are not reclassified.

The individual assets of the companies classified as held for sale are not amortised, whereas financial expense and other expenses attributable to liabilities held for sale continue to be recognised.

Any subsequent impairment losses are recognised directly as an adjustment to the carrying amount of the non-current assets classified as held for sale through profit or loss.

Profits and losses (net of the tax) attributable to groups of assets and liabilities held for sale, as well as any capital profit/loss on disposals, are shown in the specific income statement line item “Profit (Loss) from assets held for sale”. The corresponding amounts for the previous year, if any, are reclassified and presented separately in the income statement, net of tax effects, for comparative purposes.

When events occur that no longer allow non-current assets or discontinued operations to be classified as held for sale, they are reclassified in the respective line items of the statement of financial position and recognised at the lower of: (i) the asset (or discontinued operation) carrying value before it was classified as held for sale, adjusted for all depreciation, amortisation, impairment or reversals that would otherwise have been recognised if the asset (or discontinued operation) had not been classified as held for sale, and (ii) the recoverable amount at the date on which the subsequent decision not to sell was made.

Current and deferred taxes

Tax assets and liabilities are recognised in the balance sheet respectively under consolidated assets items “Deferred tax assets” and “Income tax receivables”, and under consolidated liabilities items “Deferred tax liabilities” and “Income tax liabilities”.

⁷⁴ Any transactions involving strategic gas, subject to prior authorisation by the MiMIT Ministry, result in the withdrawal and subsequent replenishment of gas quantities from the strategic reserve, without causing any movement in the stock (i.e., the risk, timing, or amount of the entity's future financial flows are not expected to change as a result of such transactions).

The accounting entries related to current and deferred taxes include: i) current tax assets, consisting of tax paid in advance and receivables for withholding taxes incurred; ii) current tax liabilities, consisting of tax payables to be settled according to applicable tax regulations; iii) deferred tax assets, consisting of the amounts of tax recoverable in future years in view of deductible temporary differences; and iv) deferred tax liabilities, consisting of payables for tax to be paid in future periods as a result of taxable temporary differences.

Current taxes, consisting of corporate income tax (IRES) and regional tax on business activities (IRAP), are recognised on an accruals basis using a realistic estimate of the negative and positive tax components for the year.

They are calculated on the basis of applicable tax rates. Deferred tax assets and liabilities are recognised according to the tax rate that, under the legislation in force at the reporting date, is expected to apply in the year when the asset is realised or the liability is settled, and are periodically reviewed to take account of any changes in legislation.

The term “deferred” tax refers, in particular, to the recognition, in terms of tax, of the temporary differences between the value assigned to an asset or liability for statutory accounting purposes and the corresponding value for tax purposes.

Deferred taxes are recognised:

- under the item “Deferred tax assets”, if they relate to “deductible temporary differences”, which means the differences between statutory and tax values that will give rise to deductible amounts in future periods, to the extent that they are likely to be recovered;
- under the item “Deferred tax liabilities”, if they relate to “taxable temporary differences” representing liabilities because they are related to accounting entries that will become taxable in future tax periods;
- If the deferred tax items regard transactions that directly affected equity, they are recognised in equity.

Provisions for risks and charges

This item consists of the provision set aside to cover specific types of liabilities whose existence is certain or probable, but whose amount or accrual date were uncertain at the reporting date. Therefore, the provisions are recognised only when:

- there is a present (legal or constructive) obligation resulting from a past event;
- it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation;
- a reliable estimate can be made of the amount of the obligation.

Provisions are recognised at the value representing the best estimate of the amount that the entity would rationally pay to settle the obligation or to transfer it to third parties at the reporting date. Provisions relating to onerous contracts are recognised at the lower of the cost required to fulfil the obligation, net of the expected economic benefits arising from the contract, and the cost for terminating the contract.

When the time value is significant and the dates of payment of the obligations can be estimated reliably, the provision is made by discounting, at a rate that reflects the market valuations of the current value of money, the expected cash flows calculated considering the risks associated with the obligation. Any increase in the provision relating to the passage of time is recognised in the income statement under “Financial income (expense)”.

If the liability refers to items of property, plant and equipment (e.g. dismantling and restoration of sites), the provision is recognised as a balancing entry to the asset it refers to and is recognised in the income statement via the depreciation process. The costs which the entity expects to incur to implement a restructuring plan are recognised in the year in which the plan is formally approved and there is a settled expectation among the affected parties that the restructuring plan will be implemented. Provisions are periodically updated to reflect changes in cost estimates, implementation times and discounted rates; revisions to provision estimates are recognised in the same income statement item that previously included the provision or, when the liability relates to property, plant and equipment (e.g. decommissioning and restorations), these are recognised as an adjustment of the asset to which they relate to and for an amount not greater than their carrying amounts; any surplus is directly recognised through profit or loss.

Contingent – not probable – liabilities are not recognised in the balance sheet. However, they are disclosed in the notes, unless the probability of an outflow of resources is remote or the event is deemed insignificant.

The provisions are used only to cover the costs for which they were originally recognised, and they are reversed in the income statement when the obligation is settled or when it is no longer probable that an outflow of resources will be required to settle the present obligation.

This item also includes provisions for credit risk for commitments to disburse funds and on financial guarantees that are subject to the rules of impairment in IFRS 9.

This item also includes the company pensions and other post-retirement benefit obligations, i.e. the provisions for long-term employment and post-employment benefits.

Provisions for employee benefits

This item includes the staff severance pay (TFR) and other long-term employee benefits such as long-service awards, supplementary pension funds, and other benefits, etc.

Staff severance pay (TFR) covers the entire entitlement accrued by employees at the end of the financial year, as provided by law (Article 2120 of the Italian Civil Code) and applicable employment agreements.

In accordance with IAS 19, staff severance pay is treated as a “Post-employment benefit” and is classified as:

- a “Defined benefit plan” for the portion of staff severance pay accrued by employees until 31 December 2006;
- a “Defined contribution plan” for the portion of staff severance pay accrued by employees beginning 1 January 2007.

The accounting standard envisages that the portions of staff severance pay be recognised at their actuarial value. The accruing and accrued obligations are considered for discounting purposes (these obligations are, respectively, the discounted value of the expected future payments related to benefits accrued during the current financial year and the discounted value of future payments resulting from amounts accrued in previous financial years).

Recognition of changes in actuarial profits/losses, deriving from changes in the actuarial assumptions used, or from prior year adjustments, are recognised as other items in the consolidated statement of comprehensive income.

Financial liabilities

Financial liabilities are included in the items “Loans”, “Other financial liabilities”, “Current portions of long-term loans” and “Current financial liabilities”.

Non-current and current financial liabilities, represented by loans raised and securities issued, are recognised initially at cost, i.e. the fair value of the liabilities, less any directly attributable transaction costs. Subsequently, these financial liabilities are measured at amortised cost, using the effective interest rate method.

Financial liabilities also include hedging derivatives which have a negative fair value at the reporting date. See the previous paragraph “Hedging transactions” in section “4. Hedging derivatives” for the description of the financial reporting standards adopted for the recognition of hedging derivatives.

Financial liabilities are derecognised when settled or when the obligation specified in the contract has been satisfied, cancelled or has expired.

Trade payables

Trade payables are initially recognised at fair value and subsequently measured at amortised cost, using the effective interest rate method. Trade payables are not discounted if the due dates are line with normal commercial terms.

Revenues

Revenues are recognised in such a way as to accurately represent the process of transfer of goods and services to customers in an amount that reflects the consideration that one expects to receive in exchange for supplied goods and services, using a model consisting of five basic steps:

- step 1: identify the contract with the customer;
- step 2: identify the contractual obligations, noting the separable goods or services as separate obligations;
- step 3: determine the price of the transaction, i.e. the amount of the consideration that one expects to receive;
- step 4: allocate the transaction price to each obligation identified in the contract based on the sale price of each individual separable item of goods or services;
- step 5: recognise the revenue when (or if) each contractual obligation is fulfilled through the transfer of the good or service to the customer, i.e. when the customer obtains control of the good or service.

According to the type of transaction, revenue is recognised based on the specific criteria reported below:

- revenue from goods sold is recognised at the fair value of the consideration the entity expects to receive when the significant risks and rewards of ownership are transferred to the buyer (at a point in time), provided that the amount can be reliably measured and collected. When establishing the transaction price of a sale, the Group takes into account the impact of variable consideration, any significant financing component, non-monetary consideration and consideration payable to the customer, if any;
- revenue from the provision of services is recognised by reference to the stage of completion of the activities, in accordance with IFRS 15 (over a period of time). In case it is not possible to reliably measure the value of revenue, this is measured up to the amount of the costs incurred that is believed will be recovered. In addition, where a third party supplies goods or services to a customer, the correct recognition of revenue under IFRS 15 depends on whether the Company acts as principal or as agent in the transaction;
- revenue accrued in the year for contract work in progress is recognised on the basis of the amounts agreed proportionate to the progress of the work, which is calculated using the cost-to-cost method. In addition to the amount of revenue agreed in the contract, contract revenue includes variations in contract work, reviewed prices and incentive payments, to the extent that it is probable that they will result in revenue and can be reliably measured. Revenue may decrease also as a result of penalties arising from delays caused by group companies.

Revenue from regulated activities⁷⁵ is governed by the regulations issued by the Italian Energy Networks and Environment Regulator (ARERA) and in Greece by the Regulatory Authority for Energy, Waste and Water (RAEWW). Consequently,

⁷⁵ With regard to the Snam group, the revenues recorded in the income statement coincide with those recognised by the regulator (the so-called “revenue cap”). Within the Gas Transportation, Regasification and Storage sectors, any difference between the revenues recognized by the regulator and the revenues accrued is recorded, if positive, in an asset item of the Balance Sheet, if negative, in a liability item, as the same will be subject to monetary

the financial terms and conditions relating to the services provided are not defined by negotiation but in accordance with the relevant regulatory frameworks and the tariffs are set periodically by ARERA and used as a basis to define the tariff criteria for the reference period.

In particular, the tariff system requires that the reference revenue to calculate the tariffs be recognised in order to cover the costs incurred by the operator and provide an equitable return on the capital invested.

There are three cost categories recognised:

- the cost of the net invested capital for RAB (Regulatory Asset Base) purposes through applying a rate of return on that invested capital;
- the economic - technical amortisation covering the investment costs;
- the operating costs covering the running costs.

With reference to the Snam group and the Italgas group, the revenues recognized in the income statement coincide with those recognized by the regulator (so-called "revenue cap"). Within the sectors Gas Transportation⁷⁶, Regasification and Storage with regard to the SNAM group and Natural Gas Distribution and Metering in Italy with regard to the Italgas group, the possible differential between the annual revenues recognized by the regulator ("Revenue Cap")⁷⁷ and the revenues accrued is recorded, if positive, in an asset item of the Balance Sheet, if negative, in a liability item, as the same will be subject to monetary settlement with the Cassa per i Servizi Energetici e Ambientali (CSEA). With particular reference to transactions carried out in the Balancing Market, due to the principle of neutrality defined by current regulations, these generate neither costs nor revenues, as they are simply passing through items. Any positive or negative variances resulting from the use of different prices in relation to the aforementioned transactions are consistently offset through the recognition of a balance sheet receivable or payable vis-à-vis the CSEA, since these variances are subject to adjustment by the same authority. In relation to natural gas distribution and measurement activities performed by the Italgas Group in Greece, any variance between revenues allowed by the regulator and revenues effectively earned is recognised as an asset when positive and as a liability when negative in the statement of financial position, as the operator has satisfied the relevant performance obligation and has the right to recover, or the obligation to refund, in future regulatory periods or upon expiry of the concession, amounts not billed or billed in excess to customers during the period.

With regard to revenue recognition by the Italgas group for the so-called "start-up municipalities"⁷⁸, in Italy revenue from gas distribution is recognised on the basis of a forward-looking estimate of the delivery points expected at the end of the start-up period regulated by ARERA, where it is considered highly probable that no significant reversal of cumulative revenues will occur. Revenues are shown net of components relating to tariff surcharges in addition to the Italian tariff, which are intended to finance general charges of the gas system. The amounts collected or charged by Italgas are transferred in full to the CSEA. With reference to the natural gas distribution in Greece and the integrated water service, the difference (respectively the "Recoverable Difference" or "Tariff balancing items") between the revenue cap and the revenues invoiced to customers for services effectively provided is recognised as an asset when positive or as a liability when negative, as Italgas has fulfilled the related performance obligation and therefore has the right to recover, or the obligation to repay, in future regulatory periods or upon expiry of the concession, the amounts not charged or charged in excess to customers during the year.

The Terna group's revenues also include output-based incentives defined by ARERA for both transmission and dispatching activities. Incentive mechanisms are included within the scope of application of IFRS 15; if the counterparties through which Terna collects an incentive are not the same as those active on the market in the year in which the achievement of the objectives underlying the incentive programme is verified, IFRS 15 is applied through the approach by analogy envisaged by IAS 8, also with the support of feedback from the conceptual framework for financial reporting. In the event that the mechanism includes a significant financial component, the amounts recognised in the financial statements are subject to discounting. Based on the specific characteristics of each mechanism, the Terna group assesses whether the performance obligation is fulfilled over a period of time (over a period of time) or at a specific point in time (at a point in time), also taking into consideration the need for confirmation or verification by ARERA in order to determine the existence of the right.

Fees collected on behalf of third parties, such as the remuneration of other network owners outside the group, as well as revenues recognised for activities to manage the balance of the national electricity system that do not increase equity, are shown net of the related costs. In particular, revenues and costs of a "passing" nature that originate from transactions with electricity market operators for the purchase and sale of energy are included. The regulatory framework envisages that these costs and revenues always have a zero balance, by charging each consumer pro rata for the net charge resulting from the valuation of imbalances and purchase and sale transactions carried out by Terna on the Dispatching Services Market (DSM), through a specific fee, known as the Uplift. Terna receives remuneration for this activity through a specific

settlement with the Cassa per i Servizi Energetici e Ambientali (CSEA). With particular reference to transactions carried out in the Balancing Market, due to the principle of neutrality defined by current regulations, these generate neither costs nor revenues, as they are simply passing through items.

⁷⁶ Within the Transportation business segment, revenues recognised in profit or loss are updated on the basis of the best estimate of the reference parameters included in the ROSS-Base methodology (Regulation by Objectives of Expenditure and Service). Based on this methodology, the amount of allowed revenue for each year is determined by the end of the year following the reference year.

⁷⁷ The revenue cap incorporates a predefined return on the net regulatory asset base (RAB), together with the related depreciation and certain operating expenses.

⁷⁸ "Start-up municipalities" are those where the first year of gas supply was after 2017.

"margin" revenue, the Dispatching Services Fee. Considering also that Terna has no power to set prices for transactions on the DSM, revenues are expressed net of costs, on a net basis

Financial income (expense)

Financial income (expense) includes:

- interest income and expense;
- income and expense associated with hedging activities;
- gains (losses) on disposal or repurchase;
- income and expense associated with trading activities;
- the net gain (loss) on financial assets and liabilities measured at FVTPL;
- the net adjustments and recoveries for credit risk relating to financial assets measured at amortised cost or at FVTOCI;
- exchange rate differences.

Interest income and expense is through profit or loss for all instruments based on amortised cost using the effective interest rate method. The interest also includes the net balance, either positive or negative, of the differentials and margins relating to derivatives.

Borrowing costs directly attributable to the acquisition, construction or production of an asset that qualify for capitalisation are capitalised as part of the cost of the asset. The qualifying assets (property, plant and equipment and intangible assets) involved are those that require at least one year before being ready for use. The directly attributable financial expenses are those that would not have been incurred if the expense for that asset had not been incurred.

Where funds are borrowed specifically, costs eligible for capitalisation are the actual financial expense incurred for that financing, less any income earned on the temporary investment of such borrowings. In regard to the general pool of assumed debt, the amount of financial expenses that can be capitalised is determined by applying a capitalisation rate to the expenses incurred for that asset which corresponds to the weighted average of the borrowing costs applicable to the general pool, excluding any specifically borrowed funds. The amount of borrowing costs capitalised during a financial year shall in any case not exceed the amount of borrowing costs incurred during that year.

The starting date of capitalisation is the date on which all of the following conditions were met for the first time: (a) the costs for the asset were incurred; (b) the financial expenses were incurred; and (c) the activities necessary to prepare the asset for its intended use or for sale were undertaken.

Capitalisation of the financial expenses ceases when the activities necessary to prepare the asset for its intended use or sale are substantially complete.

Other Information

Accounting for environmental certificates – Emission Trading Systems

With reference to Snam, the European Emission Trading System (ETS), created to regulate and enable the trading of emission quotas, establishes an annual cap on greenhouse gas emissions. Correspondingly, the relevant national authorities allocate a defined number of emission allowances free of charge. During the year, depending on the actual greenhouse gas emissions produced, each company has the right to sell or the obligation to purchase emission allowances on the market for a consideration. Emission allowances acquired for a price to offset emissions generated during the year are recognised in the income statement; any surplus allowances purchased are recognised as assets on the balance sheet, whereas allowances granted free of charge and not utilised in the year of allocation are not recorded in the financial statements, as they will be used to cover the needs of the subsequent year. Where there is a deficit of emission rights not covered by purchases made on the market at the balance sheet date, the charge and corresponding liability are recognised at the end of the year at market value.

Leases

Leases are recognised on the basis of the rules in IFRS 16 whereby the control of right of use of an asset discriminates in the identification of contracts that are or contain a lease from those for the supply of services. The key features of this distinction are: the identification of the asset, the absence of substitution rights, the right to obtain substantially all economic benefits resulting from use of the asset and the right to direct the use of the leased asset. Thus, it follows that even rental and hire contracts and leases payable can now be included within the scope of the standard.

The lessee recognises a right-of-use asset underlying the lease and a lease liability consisting in the present value of outstanding lease payments (i.e. Lease Liability). These items are depreciated over the life of the lease (this period includes any renewal or early termination options, if the exercising of these options is reasonably certain).

Essentially, the balance sheet liabilities show the Lease Liability, which consists of the present value of the payments which, at the valuation date, have yet to be paid to the lessor; the balance sheet assets, on the other hand, show the Right-of-Use Asset, calculated as the sum of the lease still payable, the initial direct costs incurred to sign the contract, the payments made on or before the inception date of the contract (net of any lease incentives received) and the present value of the costs of dismantling and/or restoration.

Regarding the recognition of the income statement items, the expense accrued on the lease liability will be recognised in “Interest expense and similar expense”, and the depreciation/amortisation of the Right-of-Use Asset in “Net adjustments to/recoveries on property, plant and equipment and intangible assets”. The right-of-use asset is amortised over the contractual term (or the useful life of the underlying asset if shorter), subject to any impairment.

For leases involving low value assets and leases with a duration of 12 months or less (i.e. short-term leases), IFRS 16 does not entail the recognition of financial liabilities and the relevant right of use, but lease payments shall continue to be recognised through profit or loss on a straight line basis for the duration of the respective leases.

On first-time adoption the Group applied the standard according to the “Modified Retrospective Approach”, recognising the cumulative effect of the initial application of the Standard on the first-time adoption date without restating the comparative information (IFRS 16 C5 b), in the option envisaged in paragraph C.8 b (ii).

On the basis of this approach, the following were recognised:

- the lease liability calculated as the present value of the remaining payments due on the lease, discounted at the incremental borrowing rate at the date of initial application (IFRS 16.C8.a);
- the right-of-use asset equal to the lease liability, adjusted by the amount of any prepaid or accrued lease payments relating to that lease recognised in the statement of financial position immediately before the date of initial application (IFRS 16.C8.bii).

In addition, some of the practical expedients and recognition exemptions provided by the standard have been adopted upon initial application. In particular:

- use of the incremental borrowing rate as the discount rate to calculate the lease liability⁷⁹;
- exclusion of leases with a total or remaining lease term⁸⁰ of 12 months or less;
- exclusion of leases with a low value at the date of purchase;
- exclusion of the initial direct costs incurred to measure the right-of-use asset at the date of initial application.

Uncertainty on the treatment for the purpose of income tax

An entity shall consider whether it is probable that the relevant taxation authority will accept every tax treatment, or group of tax treatments, it has used or plans to use in its tax return. If the entity concludes that it is probable that a particular tax treatment will be accepted, the entity shall determine taxable profit (tax loss), tax bases, unused tax losses, unused tax credits or tax rates consistently with the tax treatment included in its tax documentation. If the entity concludes that it is unlikely that a particular tax treatment will be accepted, the entity must use the most likely amount or the expected value from the tax treatment in determining the taxable profit (tax loss), tax bases, unused tax losses, unused tax credits or tax rates. The judgement should be based on which method provides the best forecast of how to resolve the uncertainty.

Share-based payments

These are payments to employees as consideration for their work services performed. When specific conditions are met, the cost of employee service is remunerated through stock option plans, whose value is measured according to the fair value of the options granted to employees at the grant date.

The fair value of options granted is recognised in the income statement, under the item “Staff costs” over the vesting period, with a corresponding increase in equity, considering the best possible estimate of the number of options that employees will be able to exercise. That estimate is revised where subsequent information indicates that the expected number of equity instruments that will vest differs from the estimate previously carried out, independently of market conditions.

The measurement method used to calculate fair value considers all the characteristics of the options (term, price and conditions for exercise, etc.), as well as the value of the underlying security at the grant date, volatility and the yield curve at the grant date, in line with the duration of the plan.

At maturity, the estimate is revised and recognised in the income statement to register the amount corresponding to the number of equity instruments that have effectively vested, independently of whether market conditions have been met.

Grants

Capital grants provided by Public Entities are recognised when there is reasonable certainty that the conditions established by the granting authorities for obtaining the grant will be met. Their recognition reduces the purchase or transfer price or the production cost of the asset they refer to. Similarly, capital grants received from private parties are accounted for in accordance with the same accounting policies.

Grants for operating expenses can be recognised through profit or loss on an accruals basis when the related costs are incurred or, alternatively, in full when the conditions for their recognition have been met.

⁷⁹ Rate which represents the rate of interest that a lessee “would have to pay to borrow, over a similar term and with a similar security, the funds necessary to obtain an asset of a similar value to the cost of the right-of-use asset in a similar economic environment”.

⁸⁰ For the purpose of determining the lease term, it was assumed that the contractual renewal is reasonably certain if:

- there is a clause that grants the lessee the right to renew the contract and there is a clause through which the lessor is obliged to not refuse the renewal request;
- there is a clause that grants the lessee the right to renew the contract and the lessor has not notified his/her desire to exercise the right of refusing the renewal within the contractually set terms.

With particular reference to connection fees for private users, the remuneration component for the initial installation investment amount is recognised as revenue to be deferred over the useful life of the asset to which it refers, with a balancing entry among other liabilities.

Fair value measurement

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants (i.e. not a forced liquidation or distress sale) at the measurement date. Fair value is a market-based measurement, not an entity-specific measurement. Underlying the definition of fair value is the assumption that the entity is operating its business normally without any intention to liquidate its own assets, significantly reduce the level of its own assets, or settle transactions at unfavourable conditions. An entity shall measure the fair value of an asset or a liability using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

As per IFRS 13, to measure the fair value, the effect of non-performance risk is also considered. This risk includes both the changes in the counterparty's credit risk and the changes in the issuer's own credit risk.

The fair value of financial instruments is calculated according to a hierarchy of criteria based on the origin, type, and quality of information used. In detail, this hierarchy assigns the highest priority to the prices quoted (and not changed) on active markets and lower importance to unobservable inputs. Three different input levels are identified:

- in the case of instruments listed on active markets, prices on financial markets are used (Level 1);
- in the case of instruments not listed on active markets, recourse is made, where possible, to valuation techniques that use observable market inputs other than quoted prices for the financial instrument but connected with its fair value by non-arbitrage relationships (Level 2);
- in other cases, recourse is made to internal valuation techniques that also use unobservable market inputs that are therefore inevitably subjective to some degree (Level 3).

Since Level 1 inputs are available for numerous financial assets and liabilities, some of which are traded on more than one active market, the entity has to take special care when defining both of the following aspects:

- the principal market for the asset or liability or, in the absence of a principal market, the most advantageous market for the asset or liability;
- whether the entity can conclude a transaction involving the asset or liability at that price and on that market at the measurement date.

The CDP RETI Group believes that the principal market of a financial asset or liability can be identified as the market on which the Group normally operates.

A market is considered active if the quoted prices, representing effective and regular market transactions executed during an appropriate reference period, are readily and regularly available through stock exchanges, brokers, intermediaries, specialised firms, quotation services or authorised entities.

In the event of a significant reduction in the volume or level of ordinary activity for the asset or liability (or for similar assets or liabilities) flagged by certain indicators (number of transactions, insignificance of the prices given by the market, significant increase in the implicit premiums for liquidity risk, widening or increase in the bid-ask spread, reduction or total absence of a market for new issues, scanty information in the public domain), the transactions or quoted prices are analysed.

In the case of financial instruments that are not quoted on active markets, valuation using Level 2 inputs requires the use of valuation techniques that process market inputs at different levels of complexity. For example, valuation techniques may involve, in addition to interpolations and extrapolations, the specification of stochastic processes that represent market dynamics and the use of simulations or other numerical techniques to determine the fair value of the instruments being measured.

The Group takes the following into consideration when selecting the valuation techniques to be used in Level 2 measurements:

- simpler valuation techniques are preferred to more complex techniques, all other conditions being equal and as long as they represent all of the relevant characteristics of the product, ensuring that they are reasonably in line with the practices and results of other sector operators;
- valuation techniques are applied consistently over time to consistent categories of instruments, unless objective grounds for replacement emerge;
- all other conditions being equal, preference is given to standard models whose mathematical structure and implementing procedures are familiar to practitioners and implemented in the Group's systems.

The market parameters used as inputs for Level 2 valuations are selected on the basis of non-arbitrage relationships or comparative relationships that define the fair value of the financial instrument being measured as the relative fair value compared with that of financial instruments listed on active markets.

In some cases, in determining the fair value it is necessary to have recourse to valuation techniques that call for inputs that cannot be drawn directly from observable market variables, statistical or "expert-based" estimates by those carrying out the valuation (Level 3).

Level 3 valuation techniques are also applied consistently over time to consistent categories of instruments, unless objective grounds for replacement emerge. Similarly, parameters that cannot be drawn directly from observable market variables are applied consistently over time.

Business combinations

A business combination is a transaction or other event in which an entity acquires control of one or more business activities (e.g., a business).

Control of one or more businesses may be obtained: (i) through the transfer of cash, cash equivalents or other assets; (ii) by issuing equity interests; (iii) by assuming liabilities; (iv) without the transfer of a consideration (for example, through a contractual agreement).

Business combinations are recognised using the acquisition method, whereby the assets transferred and liabilities assumed by the CDP RETI Group at the acquisition date are measured at fair value. Transaction costs are generally recognised through profit or loss in the years when those costs are incurred or the services are received.

For newly acquired companies, if the initial values for a business combination are incomplete by the end of the reporting period in which the combination occurs, the CDP RETI Group reports in its consolidated financial statements provisional amounts for the item for which the accounting is incomplete. In accordance with IFRS 3, paragraphs 45 ff., within twelve months of the acquisition date, the differences resulting from the business combination have to be allocated by recognising the fair value at the acquisition date of the identifiable assets acquired and liabilities assumed. The following items are an exception and are measured in accordance with their applicable standard:

- deferred tax assets and liabilities within the scope of IAS 12;
- assets and liabilities for employee benefits within the scope of IAS 19;
- liabilities or equity instruments related to share-based payment transactions involving shares of the acquiree or share-based payment transactions involving shares of the Group issued in replacement of contracts of the acquiree, as defined by IFRS 2;
- insurance contracts within the scope of IFRS 17;
- assets and liabilities arising from leases within the scope of IFRS 16 for which the acquiree is the lessee;
- assets held for sale and discontinued operations within the scope of IFRS 5.

Goodwill is determined as the excess of the aggregate of the consideration transferred in the business combination, the amount of any non-controlling interest in the acquiree, and the fair value of any equity investment previously held by the acquirer in the acquiree over the fair value at the acquisition date of the net assets acquired and the liabilities assumed. If the fair value at the acquisition date of the net assets acquired and the liabilities assumed exceeds the aggregate of the consideration transferred, the amount of any non-controlling interest in the acquiree, and the fair value of any equity investment previously held by the acquirer in the acquiree, the excess is recognised in the income statement as a gain from the transaction.

After initial recognition, the goodwill acquired for consideration in a business combination is tested for impairment once annually or whenever there is evidence of impairment. For newly acquired companies, the difference between the acquisition price and equity is provisionally recognised as goodwill, if positive, or under liabilities if negative, net of goodwill, if any, recognised in the financial statements of the acquirees.

At the acquisition date, non-controlling interests are measured at fair value or as a proportionate share of the recognised amounts of the acquiree's identifiable net assets. The measurement method is selected on a transaction basis.

The transferred consideration also includes the present value of any deferred fixed payments and the fair value of any contingent consideration (e.g. earn-out). If the potential consideration meets the definition of an equity instrument, it is classified in equity and is not subject to subsequent valuations. Other contingent fees are recognised as liabilities and measured at fair value at each year-end date and changes in fair value are recognised through profit or loss.

In the case of business combinations achieved in stages, the equity investment previously held by the CDP RETI Group in the acquiree is revalued at the fair value at the date control was acquired and any resulting profit or loss is recognised in the income statement. Any changes in the value of the previously held equity investment that had been recognised in other comprehensive income are reclassified to the income statement as if the equity investment had been sold. If the initial accounting for a business combination is incomplete by the end of the reporting period in which the combination occurs, the CDP RETI Group shall report in its financial statements provisional amounts for the items for which the accounting is incomplete. During the measurement period, the Group shall adjust the provisional amounts to reflect new information obtained about facts and circumstances that existed at the acquisition date and that, if known, would have affected the measurement of the amounts recognised at that date.

Business combinations do not include joint venture transactions, as well as those transactions aimed at obtaining control of one or more companies that do not constitute a business activity and those for which the business combination is carried out for reorganisation purposes, and thus between two or more entities already belonging to the same group, and which do not cause changes in the control structure independently of the percentage of non-controlling interests before and after the transaction (referred to as "Business combination under common control"). These transactions are in fact considered to have no economic substance.

II - INFORMATION ON THE CONSOLIDATED BALANCE SHEET

I. ASSETS

Non-current assets

1. Property, plant and equipment

Below is a breakdown of the CDP RETI Group's property, plant and equipment, which show a net value of 48,282 million euro at 31 December 2025 (44,121 million euro at 31 December 2024).

Property, plant and equipment: breakdown

(thousands of euro)	31/12/2025			31/12/2024		
	Gross amount	Provision for amortisation, depreciation and impairment	Net value	Gross amount	Provision for amortisation, depreciation and impairment	Net value
Owned						
Land	555,946	(5,247)	550,699	463,490	(2,456)	461,034
Buildings	4,242,804	(1,552,142)	2,690,662	3,882,926	(1,448,677)	2,434,249
Plant and equipment	61,363,498	(27,579,049)	33,784,449	57,530,725	(25,918,040)	31,612,685
Other plant and equipment	4,314,698	(1,802,769)	2,511,929	3,414,477	(1,586,043)	1,828,434
Industrial and commercial equipment	708,976	(527,897)	181,079	590,040	(439,383)	150,657
Other assets	338,290	(247,839)	90,451	305,515	(223,551)	81,964
Assets under development and advances	8,327,807	(136,470)	8,191,337	7,461,884	(110,868)	7,351,016
Right of use acquired under leases ex IAS 17						
Land						
Buildings	720	(247)	473	720	(226)	494
Plant and equipment	6,126	(2,990)	3,136	6,126	(2,729)	3,397
Other plant and equipment						
Industrial and commercial equipment						
Other assets	470	(470)		470	(470)	
Assets under development and advances						
Right of use acquired under leases ex IFRS 16						
Land	74,316	(26,786)	47,530	67,645	(18,949)	48,696
Buildings	189,527	(110,368)	79,159	160,020	(84,874)	75,146
Plant and equipment						
Other plant and equipment	1,357	(1,218)	139	1,357	(1,086)	271
Industrial and commercial equipment	129,772	(63,966)	65,806	63,208	(52,289)	10,919
Other assets	176,234	(95,040)	81,194	127,513	(68,006)	59,507
Assets under development and advances	4,145		4,145	2,743		2,743
Total	80,434,686	(32,152,498)	48,282,188	74,078,859	(29,957,647)	44,121,212

The item mainly includes investments made by the Terna group in power transport lines and transformation stations in Italy, investments made by the Snam group in transport infrastructure, gas storage and regasification, and the investments made by the Italgas group in the gas distribution segment, limited to land and buildings that are not subject to IFRIC12.

During the year, the Snam group made investments totalling approximately 2,585 million euro. These related primarily to the transportation segment (2,188 million euro), consisting of works aimed at maintaining safety and quality levels of the infrastructure as well as development investments to increase transportation capacity, and to the storage segment (311 million euro) for maintenance activities at the Minerbio treatment plant and its associated clusters.

With regard to the Terna group, investments for the year totalled 3,101.7 million euro, of which 3,033.6 million euro were made within the Regulated business. In the Non-regulated segment, investments amounted to 68.1 million euro, mainly relating to third-party-requested variations.

Investments made by the Italgas group during the year amounted to approximately 136.7 million euro and related predominantly to leased assets (94 million euro), assets under construction and advances (28.1 million euro), and industrial and commercial equipment (5.9 million euro).

During the period, technical financial depreciation was recorded, determined on the basis of the useful life of the assets, i.e. on their residual useful lives, and, with reference to leased assets, on the basis of the contractual term if the exercise of the possible purchase option is not likely, for a total of 1,946 million euro, substantially attributable to the Snam group for 911 million euro, to the Terna group for 757.1 million euro and for the residual part to the Italgas group.

Commitments for the purchase of property, plant and equipment are detailed in section "IX. Guarantees and Commitments".

Property, plant and equipment: changes for the year

(thousands of euro)	Land	Buildings	Plant and equipment	Other plant and equipment	Industrial and commercial equipment	Other assets	Assets under development and advances	Total
Items/Figures								
Gross opening balance	531,135	4,043,666	57,536,851	3,415,834	653,248	433,498	7,464,627	74,078,859
<i>of which Right of use ex IAS 17</i>		720	6,126			470		7,316
<i>of which Right of use IFRS 16</i>	67,645	160,020		1,357	63,208	127,513	2,743	422,486
Provision for amortisation, depreciation and impairment - opening balance	(21,405)	(1,533,777)	(25,920,769)	(1,587,129)	(491,672)	(292,027)	(110,868)	(29,957,647)
<i>of which Right of use ex IAS 17</i>		(226)	(2,729)			(470)		(3,425)
<i>of which Right of use ex IFRS 16</i>	(18,949)	(84,874)		(1,086)	(52,289)	(68,006)		(225,204)
Net opening balance	509,730	2,509,889	31,616,082	1,828,705	161,576	141,471	7,353,759	44,121,212
<i>of which Right of use ex IAS 17</i>		494	3,397					3,891
<i>of which Right of use IFRS 16</i>	48,696	75,146		271	10,919	59,507	2,743	197,282
Gross amount: change for the period								
Change in opening balances								
<i>of which Right of use ex IAS 17</i>								
<i>of which Right of use IFRS 16</i>								
Investments	15,800	39,822	18,454	27,373	103,837	59,452	5,611,729	5,876,467
<i>of which Right of use ex IAS 17</i>								
<i>of which Right of use IFRS 16</i>	7,646	34,661		307	74,600	55,183	1,402	173,799
Contributions from business combinations	6,796	79,267	300,646	35,392	46,086	35,816	4,160	508,163
<i>of which Right of use ex IAS 17</i>								
<i>of which Right of use IFRS 16</i>		38,485			17,626	5,555		61,666
Transfers	83,426	303,270	3,852,033	702,861	28,272	22,882	(4,145,097)	847,647
<i>of which Right of use ex IAS 17</i>								
<i>of which Right of use IFRS 16</i>						(45)		(45)
Disposals	(3,024)	(10,770)	(137,920)	(20,823)	(9,773)	(7,308)	(11,600)	(201,218)
<i>of which Right of use ex IAS 17</i>								
<i>of which Right of use IFRS 16</i>	(1,112)	(4,727)			(5,480)	(5,958)		(17,277)
(Write-downs)/Writebacks								
<i>of which Right of use ex IAS 17</i>								
<i>of which Right of use ex IFRS 16</i>								
Other changes	(3,871)	(21,836)	(200,440)	155,418	18,451	(29,346)	(591,867)	(673,491)
<i>of which Right of use ex IAS 17</i>								
<i>of which Right of use IFRS 16</i>	137	(38,912)		(307)	(18,809)	(6,014)		(63,905)
Reclassifications		(368)			(1,373)			(1,741)
<i>of which Right of use ex IAS 17</i>								
<i>of which Right of use ex IFRS 16</i>					(1,373)			(1,373)
Provision for amortisation, depreciation and impairment: change for the period								
Change in opening balances								
<i>of which Right of use ex IAS 17</i>								
<i>of which Right of use ex IFRS 16</i>								
Depreciation for the period	(8,319)	(125,607)	(1,491,673)	(207,419)	(53,624)	(58,886)	(954)	(1,946,482)
<i>of which Right of use ex IAS 17</i>		(21)	(261)					(282)
<i>of which Right of use IFRS 16</i>	(8,319)	(27,586)		(1,053)	(17,886)	(31,836)		(86,680)
Contributions from business combinations		(57,135)	(149,801)	(4,897)	(35,503)	(27,389)		(274,725)
<i>of which Right of use ex IAS 17</i>								
<i>of which Right of use IFRS 16</i>		(27,950)			(9,180)	(930)		(38,060)
Disposals	676	8,573	119,757	17,960	9,579	5,395	87	162,027
<i>of which Right of use ex IAS 17</i>								
<i>of which Right of use IFRS 16</i>	676	2,837			5,383	3,744		12,640
(Write-downs)/Writebacks			(45,566)					(45,566)
<i>of which Right of use ex IAS 17</i>								
<i>of which Right of use ex IFRS 16</i>								
Other changes	(2,985)	45,041	(93,987)	(22,502)	(20,778)	29,558	(24,735)	(90,388)
<i>of which Right of use ex IAS 17</i>								
<i>of which Right of use IFRS 16</i>	(194)	27,205		921	9,871	1,988		39,791
Reclassifications		148			135			283
<i>of which Right of use ex IAS 17</i>								
<i>of which Right of use ex IFRS 16</i>					135			135
Gross closing balance	630,262	4,433,051	61,369,624	4,316,055	838,748	514,994	8,331,952	80,434,686
<i>of which Right of use ex IAS 17</i>		720	6,126			470		7,316
<i>of which Right of use IFRS 16</i>	74,316	189,527		1,357	129,772	176,234	4,145	575,351
Provision for amortisation, depreciation and impairment - closing balance	(32,033)	(1,662,757)	(27,582,039)	(1,803,987)	(591,863)	(343,349)	(136,470)	(32,152,498)
<i>of which Right of use ex IAS 17</i>		(247)	(2,990)			(470)		(3,707)
<i>of which Right of use IFRS 16</i>	(26,786)	(110,368)		(1,218)	(63,966)	(95,040)		(297,378)
Net closing balance	598,229	2,770,294	33,787,585	2,512,068	246,885	171,645	8,195,482	48,282,188
<i>of which Right of use ex IAS 17</i>		473	3,136					3,609
<i>of which Right of use IFRS 16</i>	47,530	79,159		139	65,806	81,194	4,145	277,973

2. Inventories – compulsory stock

Compulsory stock: breakdown

(thousands of euro)/(billions of cu.m.) Items/Figures	31/12/2025		31/12/2024	
	Carrying amount	Volumes (billions of cu.m.)	Carrying amount	Volumes (billions of cu.m.)
Compulsory stock	397,367	4.6	362,713	4.5
Total	397,367	4.6	362,713	4.5

Inventories classified as non-current – Mandatory Stocks, amounting to 397 million euro (363 million euro at 31 December 2024), consist of the minimum quantities of natural gas that storage companies are required to maintain pursuant to Presidential Decree No. 22 of 31 January 2001 (the so-called “mandatory stocks”). The gas held in storage, corresponding to approximately 4.6 billion standard cubic metres of natural gas, is determined annually by the Ministry of the Environment and Energy Security (MASE)⁸¹. The change compared with 31 December 2024, equal to 34 million euro, reflects the acquisition from Edison of 100% of the share capital of Stogit Adriatica (formerly Edison Stoccaggio) through the subsidiary Stogit.

3. Intangible assets

The following table shows the breakdown of “Intangible assets”, which at 31 December 2025 amounted to 19,386 million euro (12,807 million euro at 31 December 2024).

Intangible assets: breakdown

(thousands of euro) Items/Figures	31/12/2025			31/12/2024		
	Gross amount	Provision for amortisation, depreciation and impairment	Net value	Gross amount	Provision for amortisation, depreciation and impairment	Net value
Goodwill	1,678,603	(40,155)	1,638,448	1,080,385	(40,155)	1,040,230
- pertaining to Group	1,133,106	(15,466)	1,117,640	955,810	(15,466)	940,344
- non - controlling interest	545,497	(24,689)	520,808	124,575	(24,689)	99,886
Service concession agreements	26,620,242	(11,907,458)	14,712,784	17,249,257	(7,869,377)	9,379,880
Industrial patent and intellectual property rights						
Concessions, licenses, trademarks and similar rights	1,789,867	(425,663)	1,364,204	1,406,619	(392,456)	1,014,163
Other intangible assets	4,285,924	(2,937,328)	1,348,596	3,566,162	(2,440,358)	1,125,804
Assets under development and advances	323,055	(960)	322,095	247,974	(814)	247,160
Total	34,697,691	(15,311,564)	19,386,127	23,550,397	(10,743,160)	12,807,237

The main component of intangible assets consists essentially of Italgas’s service concession arrangements (13.8 billions euro), which relate to public-to-private agreements (“service concession arrangements”) governing the development, financing, operation and maintenance of infrastructure under concession granted by the awarding authority. The provisions on service concession arrangements apply to Italgas in connection with the public service of natural gas distribution in Italy and Greece and with water services. These arrangements require the operator to provide the natural gas distribution service and the water service at the tariff set by the Authority, while holding the right to use the infrastructure for the purpose of delivering the public service.

Impairment testing of goodwill

Goodwill from the acquisition of subsidiaries is allocated to each of the cash generating units (CGUs) identified. Within the CDP RETI Group, the CGUs correspond to the individual investee companies. As an intangible asset with an indefinite useful life, goodwill is not subject to amortization, but only to verification of the adequacy of its carrying value in the financial statements. An impairment test is performed annually on goodwill, or whenever there is evidence of impairment. This involves comparing the carrying amount of the CGU, including goodwill, and the recoverable amount of said CGU. If the carrying amount of the CTU is higher than its recoverable amount, the difference is recognised in the income statement by reducing goodwill as a priority, until it is zeroed.

In the current context, therefore, it continues to be necessary to constantly monitor the evolution of these elements.

⁸¹ In its notice of 25 March 2025, published on 27 March 2025, MASE confirmed the strategic storage volume for the 2025–2026 contractual year (1 April 2025 – 31 March 2026) at 4.62 billion standard cubic metres, equivalent to approximately 50,937 GWh.

In addition, in carrying out impairment tests, CDP RETI also considers the indications of the sector authorities on the financial reporting profiles relating to risks, uncertainties, estimates, assumptions and valuations as well as the difficulties related to the possible impacts that climate risks may have on the entities under analysis.

For further details, please refer to section “I.1.5. Other issues” of these Notes to the consolidated financial statements.

In implementation of the “partial goodwill method” for the recognition of goodwill envisaged by IFRS 3, the item “Goodwill” represents the only share belonging to the goodwill recorded in the consolidated financial statements of Terna, Snam, and Italgas, as well as the share recorded as a result of allocating the differences between the prices paid for the purchase of equity investments and the relevant equity.

Goodwill recognised in the financial statements as at 31 December 2025 in the amount of 1,638 million euro (of which 1,118 million euro pertaining to the Group), consists of:

- 430 million euro for Snam group;
- 469 million euro for Terna group;
- 739 million euro for Italgas group.

In relation to Terna, Snam and Italgas, the CGUs to which goodwill was allocated coincide with the individual legal entities and the recoverable amount is equivalent to the market value of the companies, determined on the basis of the weighted average prices of the volumes traded in December. The fair value for each of these three companies was higher than the value of their respective net assets, inclusive of the effects of purchase price allocation. In particular:

- for Snam, the fair value, net of selling costs, was determined based on volume-weighted average prices (VWAP) recorded in December 2025. The impairment test showed that the fair value was higher than the net assets including goodwill; consequently, no impairment adjustment was necessary. It should be noted that in order to align the fair value—as determined above—with the net assets including goodwill (break-even scenario), a reduction in the VWAP of approximately 42% would be required;
- for Terna, in the fair value calculation net of selling costs, determined based on volume-weighted average prices recorded in December 2025 (the “VWAP” method). The impairment test revealed that the fair value was significantly higher than the net assets including goodwill; consequently, no impairment adjustment was necessary. It should be noted that in order to align the fair value—as determined—with the net assets including goodwill (break-even scenario), a reduction in the VWAP of approximately 57% would be required;
- for Italgas, the fair value, net of selling costs, was determined based on volume-weighted average prices (VWAP) recorded in December 2025. The impairment test showed that the fair value was higher than the net assets including goodwill; consequently, no impairment adjustment was necessary. It should be noted that in order to align the fair value—as determined above—with the net assets including goodwill (break-even scenario), a reduction in the VWAP of approximately 44% would be required.

Intangible assets: changes for the year

(thousands of euro)							
Items/Figures	Goodwill	Service concession agreements	Industrial patent and intellectual property rights	Concessions, licenses, trademarks and similar rights	Other intangible assets	Assets under development and advances	Total
Gross opening balance	1,080,385	17,249,257	-	1,406,619	3,566,162	247,974	23,550,397
Provision for amortisation, depreciation and impairment - opening balance	(40,155)	(7,869,377)	-	(392,456)	(2,440,358)	(814)	(10,743,160)
Net opening balance	1,040,230	9,379,880	-	1,014,163	1,125,804	247,160	12,807,237
Gross amount: change for the period							
Change in opening balances	-	-	-	-	-	-	-
Investments	-	970,194	-	1,500	428,268	329,692	1,729,654
Contributions from business combinations	620,685	9,916,611	-	336,219	314,450	583	10,188,548
Transfers	-	104,612	-	5,705	427,589	(215,134)	322,772
Disposals	-	(104,339)	-	(12,916)	(37,722)	(18)	(154,995)
(Write-downs)/Writebacks	-	-	-	-	-	-	-
Other changes	(517)	(34,684)	-	52,740	(412,823)	(40,042)	(435,326)
Reclassifications	(21,950)	(481,409)	-	-	-	-	(503,359)
Provision for amortisation, depreciation and impairment - change for the period							
Change in opening balances	-	-	-	-	-	-	-
Depreciation for the period	-	(658,472)	-	(34,779)	(359,065)	-	(1,052,316)
Contributions from business combinations	-	(3,672,662)	-	-	(257,845)	-	(930,507)
Disposals	-	60,345	-	12,836	37,710	-	110,891
(Write-downs)/Writebacks	-	19,383	-	-	(6,559)	-	12,824
Other changes	-	(16,399)	-	(11,264)	88,789	(146)	60,980
Reclassifications	-	229,724	-	-	-	-	229,724
Gross closing balance	1,678,603	26,620,242	-	1,789,867	4,285,924	323,055	34,697,691
Provision for amortisation, depreciation and impairment - closing balance	(40,155)	(11,907,458)	-	(425,663)	(2,937,328)	(960)	(15,311,564)
Net closing balance	1,638,448	14,712,784	-	1,364,204	1,348,596	322,095	19,386,127

Investments for the period (1.7 billion euro) mainly include technical investments carried out during the year, primarily relating to network extension and major maintenance activities, as well as the replacement of meters, and refer chiefly to the Italgas group.

Contributions arising from business combination transactions mainly relate to the business combination involving 2i Rete Gas. Following the acquisition and integration of 2i Rete Gas, the Italgas group became the leading operator in gas distribution.

It should be noted that throughout 2025, the group did not carry out any operations involving cryptocurrencies – crypto assets.

The contractual commitments for the acquisition of intangible assets, as well as for the provision of services connected with their implementation, are reported in paragraph “IX - Guarantees and commitments”.

4. Equity investments

Snam, Terna, and Italgas’s equity investments are listed below, together with information on the investment relationships.

Equity investments in joint operations, associates and other companies: information on investments

(thousands of euro)

Name	Registered office	Equity investment		Voting rights %	Carrying amount	Valuation method
		Investor	% holding			
A. Companies subject to joint control						
AS Gasinfrastruktur Beteiligung GmbH	Vienna	Snam S.p.A.	40.00%	40.00%	96,115	Equity method
ELMED Etudes S.à.r.l.	Tunisi	Terna S.p.A.	50.00%	50.00%	216	Equity method
Ecos S.r.l.	Milan	Snam S.p.A.	33.34%	33.34%	1,279	Equity method
HYPERMETEO S.r.l.	Milan	Terna Forward S.r.l.	15.40%	15.40%	1,000	Equity method
Metano S. Angelo Lodigiano S.p.A.	Sant'Angelo Lodigiano	Italgas S.p.A.	50.00%	50.00%	2,164	Equity method
OLT Offshore LNG Toscana S.p.A.	Milan	Snam S.p.A.	49.07%	49.07%	85,173	Equity method
Seacorridor S.r.l.	Milan	Snam S.p.A.	49.90%	49.90%	536,708	Equity method
Servizi Energetici IG S.r.l.	Milano	Italgas Reti S.p.A.	60.00%	60.00%	-	Equity method
Southeast Electricity Network Coordination Center S.A.	Salonico	Terna S.p.A.	33.00%	33.00%	2,391	Equity method
TAG GmbH	Wien	Snam S.p.A.	84.47%	84.47%	256,840	Equity method
Terega Holding S.A.S.	Wien	Snam S.p.A.	40.50%	40.50%	457,529	Equity method
Terminale GNL Adriatico S.r.l.	Milano	Snam S.p.A.	30.00%	30.00%	208,184	Equity method
Wesil S.r.l.	Chiavari	Terna Forward S.r.l.	33.00%	33.00%	2,943	Equity method
B. Companies subject to significant influence						
Acqualatina S.p.A.	Latin	Idrolatina S.r.l.	49.00%	49.00%	42,053	Equity method
CESI S.p.A.	Milan	Terna S.p.A.	42.70%	42.70%	53,261	Equity method
CGES A.D.	Podgorica	Terna S.p.A.	22.09%	22.09%	26,694	Equity method
CORESIO S.A.	Brussels	Terna S.p.A.	15.84%	15.84%	1,373	Equity method
East Mediterranean Gas Company S.a.e.	Cairo	Snam International B.V.	25.00%	25.00%	64,288	Equity method
Energie Rete Gas S.r.l.	Turin	Medea S.p.A.	49.00%	49.00%	21,486	Equity method
Energy Investment Solution S.r.l. (in liquidazione)	Milano	Renovit Business Solutions S.r.l. Società Benefit	40.00%	40.00%	157	Equity method
Equigy B.V.	Arnhem	Terna S.p.A.	20.00%	20.00%	671	Equity method
Gesam Reti S.p.A.	Lucca	Toscana Energia S.p.A.	42.96%	42.96%	22,434	Equity method
Industrie De Nora S.p.A.	Milan	Asset Company 10 S.r.l.	21.59%	21.59%	310,452	Equity method
Interconnector Ltd	London	Snam International B.V.	23.68%	23.68%	67,512	Equity method
Interconnector Zeebrugge Terminal B.V.	Brussels	Snam International B.V.	25.00%	25.00%	565	Equity method
Melegnano Energia Ambiente S.p.A.	Athens	Italgas Reti S.p.A.	40.00%	40.00%	3,477	Equity method
Senfluga energy infrastructure holdings S.A.	Atene	Snam S.p.A.	54.00%	54.00%	226,519	Equity method
Siciliacque S.p.A.	Palermo	Idrosicilia S.p.A.	75.00%	75.00%	73,383	Equity method
Trans Adriatic Pipeline AG	Baar	Snam International B.V.	20.00%	20.00%	421,474	Equity method
Umbria Distribuzione GAS S.p.A.	London	Italgas S.p.A.	45.00%	45.00%	3,551	Equity method
Zena Project S.p.A.	London	Renovit Public Solutions S.p.A. Società Benefit	35.93%	35.93%	3,288	Equity method
dCarbonX Ltd	London	Snam International B.V.	52.98%	52.98%	31,234	Equity method
C. Unconsolidated subsidiaries (1)						
Arbolia S.r.l. Società Benefit	San Donato Milanese (MI)	Snam S.p.A.	100.00%	100.00%	1,000	At Cost
Asset Company 12 S.r.l.	San Donato Milanese (MI)	Snam S.p.A.	100.00%	100.00%	35	At Cost
Asset Company 9 S.r.l.	San Donato Milanese (MI)	Snam S.p.A.	100.00%	100.00%	110	At Cost
EVOLIA S.r.l.	Milano	Renovit Building Solutions S.p.A. Società Benefit	100.00%	100.00%		At Cost
New Energy Carbon Capture e Storage S.r.l.	San Donato Milanese (MI)	Snam S.p.A.	100.00%	100.00%	1,010	At Cost
RENPV S.r.l.	Milano	Renovit Business Solutions S.r.l. Società Benefit	100.00%	100.00%		At Cost
RENPV1 S.r.l.	Milano	Renovit Business Solutions S.r.l. Società Benefit	100.00%	100.00%		At Cost
RENPV10 S.r.l.	Milano	Renovit Business Solutions S.r.l. Società Benefit	100.00%	100.00%		At Cost
RENPV2 S.r.l.	Milano	Renovit Business Solutions S.r.l. Società Benefit	100.00%	100.00%		At Cost
RENPV3 S.r.l.	Milano	Renovit Business Solutions S.r.l. Società Benefit	100.00%	100.00%		At Cost
RENPV4 S.r.l.	Milano	Renovit Business Solutions S.r.l. Società Benefit	100.00%	100.00%		At Cost
RENPV5 S.r.l.	Milano	Renovit Business Solutions S.r.l. Società Benefit	100.00%	100.00%		At Cost
RENPV6 S.r.l.	Milano	Renovit Business Solutions S.r.l. Società Benefit	100.00%	100.00%		At Cost
RENPV7 S.r.l.	Milano	Renovit Business Solutions S.r.l. Società Benefit	100.00%	100.00%		At Cost
RENPV8 S.r.l.	Milano	Renovit Business Solutions S.r.l. Società Benefit	100.00%	100.00%		At Cost
RENPV9 S.r.l.	New Delhi	Renovit Business Solutions S.r.l. Società Benefit	100.00%	100.00%		At Cost
Renovit Consorzio Stabile	Milano	Renovit Public Solutions S.p.A. Società Benefit	33.33%	33.33%	150	At Cost
Renovit Consorzio Stabile	Milano	Renovit Building Solutions S.p.A. Società Benefit	33.33%	33.33%		At Cost
Renovit Consorzio Stabile	Milano	Renovit Business Solutions S.r.l. Società Benefit	33.33%	33.33%		At Cost
Snam Gas & Energy Services (Beijing) Co. Ltd.	Milano	Snam International B.V.	100.000%	100.000%		At Cost
		Snam S.p.A.	0.001%	0.001%	13	At Cost
D. Unconsolidated associates (1)						
Albanian Gas Service Company Sh.a.	Tirana	Snam S.p.A.	25.00%	25.00%	7	At Cost

(1) Companies in liquidation or subsidiaries in the start-up phase without assets and liabilities

During the period, the value of the equity investments changed as follows:

Equity investments: changes for the period

(thousands of euro) Items/Figures	31/12/2025	31/12/2024
A. Opening balance	3,169,083	2,919,193
B. Increases	316,060	576,919
B.1 Purchases	17,646	184,952
<i>of which business combinations</i>	3,475	
B.2 Writebacks		
B.3 Revaluations	289,545	313,930
B.4 Other increases	8,869	78,037
C. Decreases	(458,404)	(327,029)
C.1 Sales	(171,058)	(1,800)
<i>of which business combinations</i>		
C.2 Write-downs	(72,675)	(23,091)
C.3 Other decreases	(214,671)	(302,138)
D. Closing balance	3,026,739	3,169,083

The revaluations, amounting to 290 million euro, mainly relate to the effect on the income statement of the measurement at equity of investments subject to joint control or significant influence of the Snam group.

Sales amounting to 171 million euro relate mainly to the Snam group and refer to the disposal of the entire shareholding in Galaxy Pipeline Assets HoldCo Limited.

Value adjustments of 73 million euro are primarily attributable to the impairment of the investment in Industrie De Nora held through the Snam group subsidiary Asset Company 10.

Other negative changes, totalling 215 million euro, relate mainly to dividends received by the Snam group and include: (i) the jointly controlled entities SeaCorridor (70 million euro) and Teréga (25 million euro); (ii) the associates TAP (47 million euro), Senfluga (16 million euro), Interconnector (UK) (15 million euro) and Galaxy Pipeline Assets HoldCo Limited (8 million euro).

The analyses performed highlighted the presence of impairment indicators and, consequently, the need to assess the recoverable amount of the CGUs SeaCorridor, Interconnector and Industrie De Nora. The investment held in Terminale GNL Adriatico, instead, falls among the CGUs subject to impairment testing for the first time at 31 December 2025. For the impairment test, the recoverable amount of the investments was determined on a value-in-use basis: using the Discounted Cash Flow methodology for SeaCorridor (with deduction of the investee's net financial position), and the Dividend Discount Model (for the investments in Interconnector and Terminale GNL Adriatico) and, finally, at fair value determined on the basis of the arithmetic mean of market prices over the six months preceding the date of the test (for the investment in Industrie De Nora). For the purposes of conducting the impairment test, the cash flows and dividend streams used were those included in the forecast plans approved by the respective Boards of the investees.

The terminal value was determined using the perpetuity method, applying a growth rate consistent with market evidence regarding the long-term inflation outlook for the relevant area based on IMF indications, or, alternatively, using the annuity method by discounting a finite stream of cash flows reflecting the expected operating horizon.

The scope of CGUs represented by investments in joint ventures and associates remains unchanged compared with 31 December 2024, with the exception of the interest in Galaxy, which was disposed of in March 2025. At 31 December 2025, the discount rates estimated by the Snam group and applied in the impairment tests ranged between 6.09% and 9.90% for the CGUs assessed using the DDM, and amounted to 5.41% for the CGU assessed using the DCF method.

Other information on equity investments

Consistent with the provisions set out in IFRS 12 "Disclosure of interests in other entities", the financial performance of joint operations and associates is summarised below.

Significant equity investments: carrying amount and dividends received

(thousands of euro) Names	Carrying amount	Total Net equity	Pro quota Net Equity	Goodwill	Other changes	Dividend paid
A.1 Joint ventures						
Trans Austria Gasleitung GmbH	256,840	287,872	256,840	-	-	-
Terega Holding S.A.S. (previously called TIGF Holding S.A.S.)	457,529	1,129,700	456,528	-	-	-
AS Gasinfrastruktur Beteiligung GmbH	96,115	240,290	96,116	-	-	-
Seacorridor S.r.l.	536,708	690,345	536,708	-	-	-
Terminale GNL Adriatico S.r.l.	208,184	693,948	208,184	-	-	-
A.2 Associates						
Trans Adriatic Pipeline AG	421,474	1,650,185	421,474	-	-	-
Senfluga energy infrastructure holdings S.A.	226,519	702,504	226,519	-	-	-
Industrie De Nora S.p.A.	310,452	952,954	308,910	-	-	-

Significant equity investments: accounting data

(thousands of euro) Names	Cash and cash equivalent	Current assets	Non current assets	Current financial liabilities	Non current financial liabilities	Current liabilities	Non current liabilities	Revenues
A.1 Joint ventures								
Trans Austria Gasleitung GmbH	32,433	86,480	615,669	1,176	261,908	60,629	353,648	207,933
Terega Holding S.A.S. (previously called TIGF Holding S.A.S.)	140,000	260,050	3,180,700	556,500	1,298,500	661,600	1,649,450	478,500
AS Gasinfrastruktur Beteiligung GmbH	2,189	107,561	494,669	1,205	250,000	67,963	293,977	87,112
Seacorridor S.r.l.	80,343	113,734	809,411	29,088	123,358	92,588	140,212	343,102
Terminale GNL Adriatico S.r.l.		479,711	549,082			323,545	11,300	274,804
A.2 Associates								
Trans Adriatic Pipeline AG		538,258	3,985,613			508,956	2,364,730	841,430
Senfluga energy infrastructure holdings S.A.		276,363	1,339,947			195,844	717,962	304,840
Industrie De Nora S.p.A.		698,450	663,251			237,826	170,921	637,437

Interest income	Interest expenses	Depreciation	Income (loss) before taxes on continuing operations	Income (loss) after taxes on continuing operations	Taxes	Net income (loss) for the period (1)	Other comprehensive income net of taxes (2)	Comprehensive income (3) = (1)+(2)
271	(12,770)	(35,116)	32,439		(8,570)	23,869	(1,163)	22,706
	(40,000)	(111,200)	146,400		(38,400)	108,800	2,100	110,100
313	(2,612)	(11,494)	11,824		(552)	11,272	2,937	14,209
	(1,774)	(43,706)	287,457		(214,014)	73,443	(13,417)	60,026
			(12,504)			50,376	37,872	37,872
			(75,880)			432,670	356,790	356,790
			(20,745)			85,693	64,948	64,948
			(26,153)			86,546	60,393	60,393

Non-significant equity investments: accounting data

(thousands of euro) Type of investments	Carrying amount of the investments	Total assets	Total liabilities	Total revenues	Income (loss) before taxes on continuing operations	Income (loss) after taxes on continuing operations	Net income (loss) for the period (1)	Other comprehensive income net of taxes (2)	Comprehensive income (3) = (1)+(2)
Joint ventures	95,166	715,741	191,359	729,265	52,490	52,918	52,490	2,546	55,036
Associates	415,427	1,719,687	136,191	996,559	837,204		837,204		837,204

The consolidated accounting figures for joint ventures and significant associates were produced based on the information provided by the investees at 31 December 2025.

Commitments relating to equity investments

The contractual commitments referring to equity investments are listed in paragraph "IX. Guarantees and commitments".

5. Non-current financial assets

Below is a breakdown of CDP RETI Group's non-current financial assets, which had a total value of 933 million euro as at 31 December 2025 (compared with 886 million euro as at 31 December 2024).

Non-current financial assets: financial assets at fair value - breakdown and fair value levels

(thousands of euro)	31/12/2025				31/12/2024			
Items/Figures	Carrying amount	L1	L2	L3	Carrying amount	L1	L2	L3
A. Financial assets at FVTPL								
A.1 Held for trading								
Debt securities								
Equity securities								
Units in collective investment undertakings								
Loans								
Trading derivatives	1,898		1,898		1,116		1,116	
Total	1,898		1,898		1,116		1,116	
A.2 Other financial assets at FVTPL								
Debt securities								
Equity securities	8,631			8,631	6,362			6,362
Units in collective investment undertakings	39,071			39,071	19,134			19,134
Loans								
Total	47,702			47,702	25,496			25,496
B. Financial assets at FVTOCI								
Debt securities								
Equity securities	9,814		2,195	7,619	40,334	5,497	1,695	33,142
Loans	16,637			16,637	6,996		6,996	
Total	26,451		2,195	24,256	47,330	5,497	8,691	33,142
Total	76,051		4,093	71,958	73,942	5,497	9,807	58,638

Non-current financial assets: financial assets measured at amortised cost - breakdown and fair value levels

(thousands of euro)	31/12/2025				31/12/2024			
Items/Figures	Carrying amount	L1	L2	L3	Carrying amount	L1	L2	L3
Financial assets at amortized cost								
Debt securities	2,581	2,581			1,765	1,765		
Loans and receivables of which finance lease	821,076	321,445	52,328	447,303	798,367	317,624	86,573	394,170
Total	823,657	324,026	52,328	447,303	800,132	319,389	86,573	394,170

Non-current financial assets: hedging derivatives - breakdown and fair value levels

(thousands of euro)	31/12/2025				31/12/2024			
Items/Figures	Carrying amount	L1	L2	L3	Carrying amount	L1	L2	L3
Hedging derivatives								
Hedging derivatives	32,932		32,932		12,178		12,178	
Total	32,932		32,932		12,178		12,178	

The main components of the item are as follows:

- financial assets measured at fair value (76 million euro), mainly relating to: (i) the Snam group's minority equity interests measured at FVTOCI (8 million euro), essentially reflecting the measurement of the 10% equity interest in De Nora Italy Hydrogen Technologies. The item also includes other Snam group investments in fund units amounting

to 20 million euro, as well as the indirect investments made by the Terna group in the Infra Tech and Energy Tech sub-funds of the Corporate Partners I Fund of CDP Venture Capital, and its direct investment in Hibot Corporation (7.5 million euro);

- financial assets measured at amortised cost (824 million euro), consisting primarily of Terna group guarantee deposits (434 million euro) and Italgas group financial receivables (324 million euro), the latter mainly corresponding to the residual value of the Rome gas distribution concession (entered into in 2012 and expired in November 2024), under which Italgas Reti held an unconditional right to receive the amount at maturity;
- hedging derivatives, reflecting the fair value of derivative financial instruments used to hedge interest rate risk exposures of the Snam, Terna and Italgas groups and of the parent company CDP RETI.

6. Deferred tax assets

Deferred tax assets recognised in the financial statements at 31 December 2025 amount to 1,469 million euro (1,067 million euro at 31 December 2024), of which 1,456 million euro are recognised in profit or loss.

(thousands of euro) Items/Figures	31/12/2025	31/12/2024
Deferred tax assets		
- recognised in income statement	1,456,301	1,041,535
- recognised in equity	12,973	25,510
Total	1,469,274	1,067,045

Below is the breakdown of deferred tax assets:

Deferred tax assets: breakdown

(thousands of euro) Items/Figures	31/12/2025	31/12/2024
Deferred tax assets recognised in income statement	1,456,301	1,041,535
- losses carried forward	6,817	4,089
- non-repayable grants	98,754	76,273
- misc. impairment	21,482	17,039
- financial instruments		
- payables		
- site decommissioning and reinstatement	115,647	90,546
- provisions	124,556	84,082
- write-downs on receivables	13,976	24,818
- equity investments		
- property, plant and equipment/intangible assets	904,757	603,753
- employee benefits	40,077	31,520
- exchange rate differences		
- other temporary differences	130,235	109,415
Deferred tax assets recognised in equity	12,973	25,510
- financial assets at FVTOCI		
- exchange rate differences		
- cash flow hedge		14,605
- other	12,973	10,905
Total	1,469,274	1,067,045

The changes in deferred tax assets during the year, with the balancing entry in the income statement, are shown below:

(thousands of euro) Items/Figures	31/12/2025	31/12/2024
1. Opening balance	1,041,535	928,700
Change in opening balance		
2. Increases	475,521	225,108
2.1 Deferred tax assets recognised during the year	145,815	197,592
a) in respect of previous periods		
b) due to change in accounting policies		
c) writebacks		
d) other	145,815	197,592
2.2 New taxes or increases in tax rates		
2.3 Other increases	43,902	26,771
2.4 Business combinations	285,804	745
3. Decreases	(60,755)	(112,273)
3.1 Deferred tax assets derecognised during the year	(37,068)	(73,451)
a) reversals	(37,064)	(73,447)
b) write-downs for supervening non-recoverability		
c) due to change in accounting policies		
d) other	(4)	(4)
3.2 Reduction in tax rates		
3.3 Other decreases	(23,687)	(38,822)
3.4 Business combination transactions		
4. Closing balance	1,456,301	1,041,535

The changes in deferred tax assets during the year, with the balancing entry in equity, are shown below:

(thousands of euro) Items/Figures	31/12/2025	31/12/2024
1. Opening balance	25,510	23,277
Change in opening balance		
2. Increases	20,000	10,311
2.1 Deferred tax assets recognised during the year		
a) in respect of previous periods		
b) due to change in accounting policies		
c) writebacks		
d) other		
2.2 New taxes or increases in tax rates		
2.3 Other increases	19,279	9,854
2.4 Business combinations	721	457
3. Decreases	(32,537)	(8,078)
3.1 Deferred tax assets derecognised during the year		(6,129)
a) reversals		(6,129)
b) write-downs for supervening non-recoverability		
c) due to change in accounting policies		
d) other		
3.2 Reduction in tax rates		
3.3 Other decreases	(32,537)	(1,949)
3.4 Business combination transactions		
4. Closing balance	12,973	25,510

7. Other non-current assets

Other non-current assets at 31 December 2025 amounted to 998 million euro (1,434 million euro at 31 December 2024). The following table shows the breakdown:

(thousands of euro)		
Items/Figures	31/12/2025	31/12/2024
Accrued income and prepaid expenses from regulated activities	447,224	400,656
Accrued income and prepaid expenses	6,798	9,058
Guarantee deposits	31,362	27,283
Loans and advances to employees	9,373	9,996
Tax credits		
Eco/earthquake/superbonus credits	480,584	964,310
Advances to suppliers		
Other assets	22,981	22,406
Total	998,322	1,433,709

Accrued income and prepayments from regulated activities, amounting to 447 million euro at 31 December 2025, relate to: (i) receivables associated with the gas distribution tariff in Greece (the so-called "Recoverable difference") totalling 183 million euro; (ii) receivables relating to the water service in Italy (tariff adjustments) amounting to 149 million euro; (iii) receivables from gas distribution activities in Italy totalling 181 million euro, relating to tariff recognition in connection with the programme for replacing traditional meters with electronic meters under Article 57 of ARERA Resolution No. 367/14, as subsequently amended, and the recovery of un-depreciated amounts (the so-called IRMA) pursuant to Consultation Document 545/2020/R/gas, Resolution No. 570/2019/R/gas and Determination No. 3/2021, as well as tariff recognition under Resolution No. 737/2022/R/gas and Determination No. 1/2023 – DINE of 11 October 2023 for residual un-depreciated costs of smart meters installed in the first roll-out phase required under the smart-meter directives, which were required to be replaced early relative to their useful lives. Such recognition concerned early-replaced smart meters of calibre not exceeding G6, manufactured up to 2016 and installed by the end of 2018.

Tax credit receivables amounting to 481 million euro at 31 December 2025 and relate mainly are primarily attributable to Snam group (385 million euro).

8. Non-current assets held for sale

Assets held for sale at 31 December 2025 amounted to 296 million euro (21 million euro at 31 December 2024).

The following table shows the breakdown:

(thousands of euro)		
Items/Figures	31/12/2025	31/12/2024
A. Individual assets		
A.1 Financial assets		
A.2 Equity investments		
A.3 Tangible assets	1,963	5,350
A.4 Intangible assets	273,637	
A.5 Other assets	6,715	
Total A	282,315	5,350
B. Asset groups (discontinued operating units)		
B.1 Property, plant and equipment	1,338	1,338
B.2 Inventories	307	354
B.3 Intangible assets	12,103	13,668
B.4 Equity investments		
B.5 Financial assets		
B.6 Other assets	59	57
Total B	13,807	15,417
Total	296,122	20,767

The item includes the net asset values attributable to Terna and Italgas groups. In particular:

- the Terna group (approximately 13.8 million euro of discontinued operations and non-current assets held for sale and approximately 0.2 million euro of directly attributable liabilities) includes the statement of financial position balances relating to the assets within the scope of the agreement signed on 29 April 2022 with CDPQ, a global investment group, for the disposal of the entire portfolio of electricity transmission lines owned by the Terna group in Brazil, Peru and Uruguay. In this context: the first closing, relating to the Brazilian companies SPE Santa Maria Transmissora de Energia S.A., SPE Santa Lucia Transmissora de Energia S.A. and SPE Transmissora de Energia Linha Verde II S.A., was completed on 7 November 2022; the second closing, relating to the Uruguayan company Difebal S.A., owner of an electricity transmission line in Uruguay, was completed on 22 December 2022; the third closing was completed on 18

November 2024 and concerned the disposal to CDPQ of the company SPE Transmissora de Energia Linha Verde I S.A., owner of an electricity transmission line of approximately 150 km in Brazil. With regard to the project in Peru, in light of the inability to proceed with the disposal of the company to CDPQ following the notification of the negative outcome of the purchaser qualification process by the competent authority – MINEM, the group initiated discussions with Engie Transmision Perú S.A. (company of Engie's group), which submitted a binding offer for the acquisition of the project in Peru, that Terna expected to be completed within 12 months;

- as for the Italgas group (approximately 281 million euro), these mainly relate to the disposal of a defined number of points of delivery (PdR) 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 disposal of control corresponding to at least 20% of total PdRs in the ATEMs of Agrigento, Bari 2, Benevento, Brescia 5, Caltanissetta, Campobasso, Caserta 2, Catania 1, Frosinone 2, L'Aquila 2, Mantova 2, Massa Carrara, Matera, Messina 2, Napoli 2, Novara 2, Padova 2, Padova 3, Potenza 1, Potenza 2, Ragusa, Reggio di Calabria–Vibo Valentia, Roma 4, Roma 5, Salerno 1, Salerno 3, Teramo, Torino 6, Trapani, Varese 1 and Viterbo. Furthermore, Italgas published a notice for the disposal of control of the activities held in the ATEMs of Barletta-Andria-Trani, Caserta 1, Cosenza 2 and Pisa, corresponding to the number of points of delivery (PdR) acquired by Italgas S.p.A. from 2i Rete Gas S.p.A. Has completed the assessment of the potential purchasers and with Resolution No. 31476 of the AGCM, Italgas proceeded with the award of gas distribution activities in twelve territorial areas (ATEMs), including Bari 2, Barletta-Andria-Trani, Brescia 5, Campobasso, Frosinone 2, Massa Carrara, Padova 2 and 3, Pisa, Roma 5, Teramo and Viterbo. The purchasers selected through a competitive procedure are Ascopiave S.p.A., Erogasmet S.p.A., GP Infrastrutture S.r.l. and a temporary consortium of companies comprising Plures (formerly Alia Servizi Ambientali S.p.A.), Estra S.p.A. and Centria S.r.l. Overall, 247,000 points of delivery will be disposed of, together with the related networks and plants, the personnel involved and the assets necessary for service management, for a total consideration of 253.1 million euro. On 1 March 2026, the ATEMs of Bari 2, Barletta-Andria-Trani, Pisa and Teramo were transferred to the consortium Plures, Estra and Centria, corresponding to approximately 120,000 active PdRs. The remaining disposals will be completed by the second quarter of 2026.

Current assets

9. Current financial assets

Below is a breakdown of the CDP RETI Group's current financial assets, which had a net value of 1,153 million euro at 31 December 2025 (813 million euro at 31 December 2024).

Current financial assets: financial assets at fair value: breakdown and fair value levels

(thousands of euro)		31/12/2025			31/12/2024			
Items/Figures	Carrying amount	L1	L2	L3	Carrying amount	L1	L2	L3
A. Financial assets at FVTPL								
A.1 Held for trading								
Debt securities								
Equity securities								
Units in collective investment undertakings					1		1	
Loans								
Trading derivatives	533		533		264		264	
Total	533		533		265		265	
A.2 Other financial assets at FVTPL								
Debt securities								
Equity securities								
Units in collective investment undertakings								
Loans								
Total								
B. Financial assets at FVTOCI								
Debt securities	633,840	633,840			227,916	227,916		
Equity securities								
Loans								
Total	633,840	633,840			227,916	227,916		
Total	634,373	633,840	533		228,181	227,916	265	

The increase, amounting to 406 million euro, in current financial assets measured at fair value is attributable to movements in Italian government bonds and other securities held in the portfolio, primarily relating to the Terna group.

Current financial assets: financial assets measured at amortised cost - breakdown and fair value levels

(thousands of euro)		31/12/2025			31/12/2024(*)			
Items/Figures	Carrying amount	L1	L2	L3	Carrying amount	L1	L2	L3
Financial assets at amortized cost								
Debt securities	398,000		100,000	298,000				
Loans and receivables	116,023			116,023	575,221			575,221
Total	514,023		100,000	414,023	575,221			575,221

(*) In order to provide a better comparative presentation, the balance of the item as at 31 December 2024 was restated

Current financial assets: hedging derivatives - fair value levels

(thousands of euro)		31/12/2025			31/12/2024			
Items/Figures	Carrying amount	L1	L2	L3	Carrying amount	L1	L2	L3
Hedging derivatives								
Hedging derivatives	5,101		5,101		9,774		9,774	
Total	5,101		5,101		9,774		9,774	

10. Income tax receivables

Income tax receivables recorded in the consolidated financial statements at 31 December 2025 amounted to 101 million euro (45 million euro at 31 December 2024) and were broken down as follows:

(thousands of euro)

Items/Figures	31/12/2025	31/12/2024
Income tax receivables		
- Ires receivables	91,091	38,967
- Irap receivables	9,719	6,368
- other tax receivables	36	13
Total	100,846	45,348

11. Trade receivables

Trade receivables recorded in the consolidated financial statements at 31 December 2025 amounted to 7,142 million euro (7,160 million euro at 31 December 2024) and were broken down as follows:

(thousands of euro)

Items/Figures	31/12/2025	31/12/2024
Energy-related receivables	2,207,847	2,186,918
Grid transport consideration receivables	632,097	682,041
Gas sector trade receivables	3,254,281	3,444,413
Other trade receivables	817,904	638,856
Other trade receivables pending conversion into eco/super/earthquake bonus tax credits	114,667	80,288
Construction contracts	114,966	127,757
Total	7,141,762	7,160,273

Trade receivables are calculated net of amounts deemed unrecoverable which, therefore, are recorded as an adjustment to the bad debt provision.

The item "Energy receivables" relates entirely to the Terna group and mainly includes receivables relating to so-called "pass-through items" concerning the procurement of resources required to ensure dispatching, security and adequacy of the national electricity system (1,572.5 million euro), as well as receivables from dispatching users for imbalance charges (530.7 million euro). It also includes receivables (104.6 million euro) from the *Cassa per i Servizi Energetici e Ambientali* [Energy and Environmental Services Fund] (CSEA) relating to service quality (37.3 million euro) and tariff decoupling adjustments (67.3 million euro).

The item "Receivables for CRT fees", amounting to 632,1 million euro and entirely attributable to the Terna group and other owners, relates to the remuneration recognised for the use of the National Transmission Grid by electricity distributors.

The Gas sector trade receivables mainly relate to:

- receivables of the Snam group mostly attributed to: (i) transmission (1,927 million euro, mainly referring to receivables from users for additional components and the default service, amounting to a total of 1,270 million euro, and receivables arising from gas system balancing activities, amounting to 98 million euro); (ii) Market Solutions (283 million euro), primarily relating to receivables for energy efficiency projects (176 million euro); and (iii) natural gas storage (214 million euro);
- receivables of the Italgas group including balances originating from the companies of 2i Rete Gas and mainly relating to gas distribution services and related activities.

"Other trade receivables", amounting to 818 million euro, mainly relate to receivables from customers in the Non-Regulated business for specialised services provided to third parties, primarily in the areas of plant engineering services, operation and maintenance of High and Extra-High Voltage installations, as well as telecommunications equipment housing, fibre optic network maintenance services and contracts of the Tamini group, the Brugg Cables group and the Altenia group.

Trade receivables relating to eco/super/sisma bonuses mainly include receivables recognised by the Italian Revenue Agency in connection with energy efficiency measures falling within the scope of Decree Law No. 34/2020 and subsequent amendments, which can be offset against taxes payable by the Italgas group.

12. Inventories

Inventories at 31 December 2025 were recorded in the financial statements for 2,295 million euro (2,355 million euro at 31 December 2024) and are recognised net of the provision for impairment of 50 million euro (54 million euro at 31 December 2024).

Inventories: breakdown

(thousands of euro) Items/Figures	31/12/2025			31/12/2024		
	Gross amount	Provision for impairment	Net value	Gross amount	Provision for impairment	Net value
Raw materials, supplies and consumables	806,645	(21,728)	784,917	894,823	(20,251)	874,572
Finished products and goods	1,537,777	(28,124)	1,509,653	1,514,633	(33,752)	1,480,881
Total	2,344,422	(49,852)	2,294,570	2,409,456	(54,003)	2,355,453

Inventories of raw materials, ancillary and consumable materials are mainly represented by natural gas of the Snam group (574 million euro). The item also includes materials intended for the contracts of the Terna group (approximately 128 million euro), as well as smart meters, odorant and activities arising from contracts for works carried out on behalf of the Campania Region relating to the Western Campania Aqueduct of the Italgas group.

Inventories of finished products and goods amount to a total of 1,510 million euro, net of the related allowance (1,481 million euro as at 31 December 2024).

Third-party natural gas held in custody

Risks relating to third-party assets held in custody, amounting to 2,727 million euro (4,186 million euro as at 31 December 2024), relate to gas storage service activities referred to Snam. The amount has been determined by applying to the quantities of stored gas the average wholesale procurement cost published by ARERA, equal to 0.36 euro per standard cubic metre (0.55 euro per standard cubic metre as at 31 December 2024).

For further details, reference should be made to paragraph "IX. Guarantees and commitments"

13. Other current assets

The breakdown of Other current assets, which at 31 December 2025 amounted to 1,603 million euro (1,432 million euro at 31 December 2024), is shown below.

Other current assets: breakdown

(thousands of euro) Items/Figures	31/12/2025	31/12/2024
Accrued income and prepaid expenses from regulated activities	76,728	58,879
Accrued income and prepaid expenses	70,940	52,536
Guarantee deposits	1,206	990
Loans and advances to employees	1,474	2,710
Tax credits	399,914	256,541
Eco/earthquake/superbonus credits	572,434	553,065
Advances to suppliers	41,119	46,091
Other assets	439,462	461,559
Total	1,603,277	1,432,371

Receivables relating to eco/super/sisma bonuses mainly refer to receivables arising from the Superbonus and other minor incentives relating to energy efficiency projects (425 million euro for the Snam group). Given its substantial tax capacity, the Snam group plans to utilise these receivables throughout the period allowed by existing legislation.

14. Cash and cash equivalents

Cash and cash equivalents, which amounted to 4,104 million euro at 31 December 2025 (4,628 million euro at 31 December 2024) can be broken down as shown in the following table and refer mainly to:

- the Terna group (1,832.7 million euro) relates to invested cash and cash equivalents in short-term, highly liquid instruments (1,544.4 million euro) and to bank current accounts and cash (288.3 million euro);
- the Snam group (1,643 million euro) mainly relates to euro-denominated bank current accounts and deposits of the parent company Snam S.p.A. (1,417 million euro), representing the use of available liquidity for the group's financial requirements, as well as cash balances received from subsidiaries (225 million euro);
- Italgas group (532 million euro): refer to current account deposits held with banks;
- CDP RETI (96 million euro) relates to an interest-bearing demand deposit held with the parent company CDP and to bank current accounts.

Cash and cash equivalents: breakdown

(thousands of euro)		
Items/Figures	31/12/2025	31/12/2024
Current accounts and demand deposits	1,237,032	985,982
Short-term financial investments	2,864,900	3,640,401
Cash	1,577	1,808
Total	4,103,509	4,628,191

II. LIABILITIES

15. Equity

15 a. Group equity

Equity pertaining to the Group, amounting to 5,596 million euro at 31 December 2025 (5,142 million euro at 31 December 2024) consisted of the following:

(thousands of euro)		
Items/Figures	31/12/2025	31/12/2024
Share capital	166	162
Issue premium	1,581,084	1,315,158
Reserves	3,627,807	3,436,002
- Legal reserve	32	32
- Reserve for shareholder payments for investments	2,029,921	2,029,921
- Other reserves		
- Retained earnings	1,597,854	1,406,049
Valuation reserves	38,384	19,874
- Cash flow hedges	30,188	(6,354)
- Exchange rate differences	5,310	10,327
- Actuarial Profit (Loss) on defined-benefit pension plans	(5,781)	(4,220)
- Share of valuation reserves of equity investments accounted for using equity method	16,010	25,016
- Financial assets (other than equity securities) measured at fair value through other comprehensive income	696	66
- Financial assets (equity securities) measured at fair value through other comprehensive income	(8,039)	(4,961)
Advances on dividends	(393,816)	(361,866)
Net income for the period (+/-)	742,329	732,808
Total	5,595,954	5,142,138

During the period, the shareholder structure remained unchanged from the previous financial year. The shareholder structure is set out below:

Member / Number of shares / %	Share category A	Share category B	Share category C	%
CDP	3,923,682	-	-	59.10%
State Grid Europe Limited	-	2,323,595	-	35.00%
Italian Institutional Investors	-	-	391,555	5.90%
Total	3,923,682	2,323,595	391,555	100.00%

Shares outstanding at the reporting date consisted of 6,638,832 shares without nominal value, fully paid-up. Compared to 31 December 2024, the total number of shares representing the share capital (161,514 at the end of 2024) has changed as a result of the capital increase of CDP RETI. For further details, please refer to section "2. SIGNIFICANT EVENTS THAT OCCURRED DURING THE PERIOD BY SECTOR", in the Management Report of the Consolidated Financial Statements for further details.

15.b. Non-controlling interests

A breakdown of the item Non-controlling interests is provided below:

(thousands of euro)

Names	31/12/2025	31/12/2024
1. Italgas S.p.A.	3,513,392	2,513,632
2. SNAM S.p.A.	7,520,041	7,473,269
3. Terna S.p.A.	6,352,263	6,208,764
Total	17,385,696	16,195,665

Non-current liabilities

16. Provisions for risks and charges

The provisions for risks and charges recorded in the consolidated financial statements at 31 December 2025 amounted to 1,335 million euro (1,135 million euro at 31 December 2024) and were broken down as follows:

(thousands of euro)

Items/Figures	31/12/2025	31/12/2024
1. Provision for risks of legal disputes	51,600	43,192
2. Provision for early retirement incentives	68,018	71,237
3. Provision for site decommissioning and reinstatement	788,261	696,836
4. Provision for tax risks	39,009	21,384
5. Provision for environmental risks and charges	46,796	50,877
6. Provisions for credit risk on guarantees provided		
7. Other provisions	340,867	251,581
Total	1,334,551	1,135,107

The provision for site decommissioning and remediation, (788 million euro), which is the largest portion of the balance sheet item, includes the estimate of the discounted costs that will be incurred by Snam for the removal of structures and the restoration of sites, primarily related to the gas storage sector (697 million euro) and the natural gas transportation sector⁸² (57 million euro).

The changes to the provisions for risks and charges recorded during the year are detailed below:

⁸² The costs refer to the estimated expenses for the removal of the connection works to the LNG regasification terminal in Livorno – OLT Offshore LNG Toscana.

(thousands of euro)	Provision for risks of legal disputes	Provision for early retirement incentives	Provision for site decommissioning and reinstatement	Provision for tax risks	Provision for environmental risks and charges	Provisions for credit risk on guarantees provided	Other provisions	Total
Items/Figures								
Opening balance	43,192	71,237	696,836	21,384	50,877		251,581	1,135,107
Change in opening balance								
Changes for business combinations (+/-)	3,048	10,702		318	8,053		45,377	67,498
Increases:								
Allocation in the year	18,800	8,907			3		45,112	72,822
Changes due to the passing of time			24,028					24,028
Changes due to changes to the discount rate			10,276					10,276
Other changes	1,069	15,051	61,410	23,909	549		39,898	141,886
Decreases:								
Use in the financial year	(10,642)	(36,490)	(3,924)	(592)	(10,167)		(31,729)	(93,544)
- to charges	(8,548)	(36,490)	(3,924)	(592)	(10,167)		(15,106)	(74,827)
- due to surplus	(2,094)						(16,623)	(18,717)
Changes due to changes to the discount rate								
Other changes	(3,867)	(1,389)	(365)	(6,010)	(2,519)		(9,372)	(23,522)
Closing balance	51,600	68,018	788,261	39,009	46,796		340,867	1,334,551

17. Provisions for employee benefits

Below is the breakdown of the provisions for employee benefits:

(thousands of euro)		31/12/2025	31/12/2024
Items/Figures			
Severance pay		96,612	90,638
Long-term service award		7,465	7,406
Supplementary health funds		20,746	20,454
Energy discount		1,999	2,096
Other employee benefits		34,812	32,535
Total		161,634	153,129

The changes to the Provisions for employee benefits are shown below:

(thousands of euro)	Severance pay	Long-term service award	Supplementary health funds	Energy discount	Other employee benefits	Totale
Items/Figures						
Opening balance	90,638	7,406	20,454	2,096	32,535	153,129
Changes for business combinations	21,881		1,323	71	5,544	28,819
Current cost	4,425	95	(512)		107	4,115
Interest expense	2,630	135	669	64	949	4,447
Revaluations:						
- actuarial profit and loss due to changes in financial assumptions	(1,201)		(448)	52	(6)	(1,603)
- actuarial profit and loss due to changes in demographic assumptions						
- effect of past experience	(258)		(294)		203	(349)
Other changes	(4,314)	(171)	(327)	(284)	(1,248)	(6,344)
Paid benefits	(17,189)		(119)		(3,272)	(20,580)
Closing balance	96,612	7,465	20,746	1,999	34,812	161,634

The average actuarial assumptions used by the CDP RETI Group for the purpose of applying IAS 19 are provided below.

Items/Figures %	Min	Max
Discount rate	2.52%	4.47%
Expected rate of salary increases	1.00%	4.00%
Inflation rate	1.58%	2.00%

18. Long-term loans

Long-term loans recorded by the Group at 31 December 2025 amounted to 40,462 million euro (34,108 million euro at 31 December 2024) and were broken down as follows:

Items/Figures	31/12/2025	31/12/2024
Bonds	27,574,969	23,485,777
- EMTN programme	26,484,027	22,396,679
- other issues	1,090,942	1,089,098
Bank loans	11,949,862	9,792,953
Lease liabilities	192,893	129,982
Other lenders	744,285	699,538
Total	40,462,009	34,108,250

Long-term loans are mainly attributable to bond issuances (approximately 27.6 billion euro), including those of Snam (11.4 billion euro), Terna (7 billion euro), Italgas (8.1 billion euro), and the Parent Company CDP RETI (1.1 billion euro).

An analysis of bond issues, with an indication of the issuing company, the currency, the interest rate and maturity, is provided below:

(thousands of euro)					Carrying amount at 31/12/2025		Maturity analysis (years)				
Issuer	year of issue	Maturity	Currency	Rate	Current	Non current	2027	2028	2029	2030	beyond
CDP RETI - Bond 2022	2022	2027	euro		5,377	529,375		529,375			
CDP RETI - Bond 2024	2024	2031	euro		7,517	561,567					561,567
SNAM SPA	2016	2026	euro	0.88%	1,251,130						
SNAM SPA	2017	2025	euro	1.25%							
SNAM SPA	2017	2027	euro	1.38%	1,394	551,674	551,674				
SNAM SPA	2019	2025	euro	1.25%							
SNAM SPA	2019	2030	euro	1.63%	3,985	248,922				248,922	
SNAM SPA	2019	2034	euro	1.00%	1,808	592,306					592,306
SNAM SPA	2020	2030	euro	0.75%	2,024	498,869				498,869	
SNAM SPA	2020	2028	euro	0.00%		598,628		598,628			
SNAM SPA	2021	2030	euro	0.75%	1,012	253,912				253,912	
SNAM SPA	2021	2025	euro	0.00%							
SNAM SPA	2021	2031	euro	0.63%	1,575	495,590					495,590
SNAM SPA	2022	2034	euro	1.25%	4,318	647,190					647,190
SNAM SPA	2022	2029	euro	0.75%	3,388	846,388			846,388		
SNAM SPA	2022	2026	euro	3.38%	300,159						
SNAM SPA	2023	2028	euro	3.25%	4,173	487,928		487,928			
SNAM SPA	2023	2029	euro	4.00%	2,351	644,159			644,159		
SNAM SPA	2024	2028	euro	3.38%	14,563	497,867		497,867			
SNAM SPA	2024	2034	euro	3.88%	33,548	992,563					992,563
SNAM SPA	2024	2026	euro	3.46%	753,360						
SNAM SPA	2024	2031	euro	3.38%	2,497	741,983					741,983
SNAM SPA	2024	2036	euro	5.75%	3,932	681,974					681,974
SNAM SPA	2025	2035	euro	5.75%	2,598	419,279					419,279
SNAM SPA	2025	2055	euro	6.50%	2,998	613,270					613,270
SNAM SPA	2025	2030	euro	5.00%	3,447	632,504				632,504	
SNAM SPA	2025	2032	euro	3.25%	16,295	989,498					989,498
TERNA SPA		2026	euro	1.00%	499,900						
TERNA SPA		2026	euro	1.60%	80,000						
TERNA SPA		2027	euro	1.38%		994,600	994,600				
TERNA SPA		2027	euro	3.44%		99,900	99,900				
TERNA SPA		2028	euro	1.00%		728,100		728,100			
TERNA SPA		2029	euro	0.38%		598,500			598,500		
TERNA SPA		2029	euro	3.63%		745,300			745,300		
TERNA SPA		2030	euro	0.38%		453,500				453,500	
TERNA SPA		2031	euro	3.50%		843,700					843,700
TERNA SPA		2031	euro	3.00%		744,800					744,800
TERNA SPA		2032	euro	0.75%		393,300					393,300
TERNA SPA		2032	euro	3.13%		747,000					747,000
TERNA SPA		2033	euro	3.88%		643,792					643,792
TERNA SPA		2026	euro	1.00%	105,213						
ITALGAS S.p.A.		2027	euro	1.63%	11,551	748,659	748,659				
ITALGAS S.p.A.		2029	euro	1.63%	11,585	748,685			748,685		
ITALGAS S.p.A.		2030	euro	0.88%	3,609	596,348				596,348	
ITALGAS S.p.A.		2031	euro	1.00%	272	497,264					497,264
ITALGAS S.p.A.		2028	euro	0		497,541		497,541			
ITALGAS S.p.A.		2033	euro	0.50%	2,177	495,681					495,681
ITALGAS S.p.A.		2032	euro	4.13%	11,639	493,822					493,822
ITALGAS S.p.A.		2029	euro	3.13%	26,780	993,012			993,012		
ITALGAS S.p.A.		2030	euro	2.88%	11,814	496,380				496,380	
ITALGAS S.p.A.		2034	euro	3.50%	16,146	496,745					496,745
ITG RETI (ex Ziretegas)		2026	euro	1.75%	435,800						
ITG RETI (ex Ziretegas)		2027	euro	1.61%	2,665	719,958	719,958				
ITG RETI (ex Ziretegas)		2031	euro	0.58%	13,712	456,846					456,846
ITG RETI (ex Ziretegas)		2033	euro	Tel rate	1,985	579,605					579,605
ENAON		2029	euro	Tel rate	603	128,903			128,903		
ENAON		2034	euro	Tel rate	285	56,148					56,148
ENAON		2034	euro	Tel rate	241	51,434	51,434				

With reference to the analysis of the maturities of payables for loans, please refer to the following table:

(thousands of euro)					Carrying amount at 31/12/2025			Maturity analysis (years)				
Loans/Bonds	year of issue	Maturity	Currency	Rate	Current	Non current	2027	2028	2029	2030	beyond	
IFRS 16 residual (no to CDP Reti Group companies)	2020	2026	euro		22							
Term Loan 2024	2024	2029	euro		3,073	598,073			598,073			
Italgas Reti			euro									
IFRS 16 residual (no to CDP Reti Group companies)			euro		23,176	73,496	17,781	16,806	14,011	8,029	16,869	
BAYERISCHE	2022	2027	euro	2.23%	687	75,000	75,000					
CASSA DEPOSITI E PRESTITI	2022	2027	euro	4.72%	278	200,000	200,000					
CASSA DEPOSITI E PRESTITI	2023	2027	euro	4.46%	1,555	300,000	300,000					
ICBC	2023	2026	euro	4.45%	101,136							
BNL	2023	2025	euro	4.46%	202,030							
INTESA SAN PAOLO	2023	2026	euro	4.56%	251,454							
UNICREDIT	2023	2025	euro	4.42%	150,825							
CAIXA BANK	2023	2026	euro	4.39%	200,908							
BBVA	2023	2026	euro	4.72%	200,141							
INTESA SAN PAOLO	2024	2027	euro	4.45%	370	150,000	150,000					
ING	2024	2027	euro	4.59%	66	100,000	100,000					
CASSA DEPOSITI E PRESTITI	2024	2028	euro	4.64%	1,496	200,000		200,000				
UNICREDIT	2024	2027	euro	3.58%	2,585	200,000	200,000					
MEDIOBANCA	2024	2027	euro	3.32%	477	100,000	100,000					
BBVA	2025	2027	euro	2.47%	196	150,000	150,000					
CAIXA BANK	2025	2027	euro	2.44%	27	200,000	200,000					
UNICREDIT	2025	2027	euro	2.39%	20	150,000	150,000					
European Investment Bank	2013	2032	euro	2.95%	4,488	25,999	4,333	4,333	4,333	4,333	8,667	
European Investment Bank	2015	2035	euro	2.73%	25,100	268,083	24,867	24,867	24,867	24,867	168,615	
European Investment Bank	2017	2037	euro	1.50%	20,667	217,001	20,667	10,333	20,667	20,667	144,667	
European Investment Bank	2019	2038	euro	1.37%	9,000	108,000	9,000	4,500	9,000	9,000	76,500	
European Investment Bank	2019	2031	euro	0.55%	2,500	12,500	2,500	1,250	2,500	2,500	3,750	
European Investment Bank	2019	2039	euro	0.64%	7,000	87,500	7,000	3,500	7,000	7,000	63,000	
European Investment Bank	2012	2029	euro	2.99%	20,095	60,000	20,000	20,000	20,000			
European Investment Bank	2015	2035	euro	1.16%	14,521	113,332	13,333	13,333	13,333	13,333	60,000	
European Investment Bank	2013	2033	euro	1.63%	20,727	132,068	18,867	18,867	18,867	18,867	56,600	
European Investment Bank	2022	2032	euro	2.60%	7,963	43,795	7,963	3,981	7,963	7,963	15,925	
European Investment Bank	2022	2027	euro	2.96%	21,800	21,800	21,800					
European Investment Bank	2023	2028	euro	3.43%	15,909	23,858	15,905	7,953				
Other lenders			euro		19,831	42,528	42,528					
IFRS 16 residual (no to CDP Reti Group companies)			euro									
European Investment Bank		2046	euro	2.68%	58,500	3,163,930	117,100	156,000	192,100	192,100	2,506,630	
European Investment Bank		2047	euro	2.99%	115,400	1,240,200	115,300	115,300	96,000	145,000	768,600	
TERNA SPA		2032	euro	2.98%		2,445,800			1,500,000	201,000	744,800	
STE Energy		2028	euro	3.74%	2,200	1,700	1,300	400				
IFRS 16 residual (no to CDP Reti Group companies)			euro		29,903	76,869	20,049	17,158	14,346	8,851	16,465	
ITALGAS S.p.A. - EIB	2017	2037	euro	0.35%+Eurib or 6M	24,471	263,696	24,000	24,000	24,000	24,000	167,696	
ITALGAS S.p.A. - EIB	2015	2035	euro	0.14%+Eurib or 6M	8,588	74,273	8,267	8,267	8,267	8,267	41,205	
ITALGAS S.p.A. - EIB	2016	2032	euro	0.47%+Eurib or 6M	25,402	149,962	25,000	25,000	25,000	25,000	49,962	
ITALGAS S.p.A. - EIB	2022	2037	euro	3.18%	12,723	137,417	12,500	12,500	12,500	12,500	87,417	
ITALGAS S.p.A. - EIB	2023	2042	euro	2.77%	180	11,895	750	750	750	750	8,895	
ITALGAS S.p.A. - EIB	2024	2044	euro	0.829%+Eurib or 6M	89	35,911		1,091	2,182	2,182	30,456	
TOSCANA ENERGIA S.p.A - EIB	2016	2031	euro	1.50%	8,182	36,819	8,182	8,182	8,182	8,182	4,091	
ITALGAS RETI (ex 2iretegas) - EIB	2015	2030	euro	0.59%+Eurib or 6M	18,195	72,728	18,182	18,182	18,182	18,182		
ITALGAS RETI (ex 2iretegas) - EIB	2016	2026	euro	1.39%	70,005	-						
ITALGAS RETI (ex 2iretegas) - EIB	2016	2026	euro	1.40%	155,012	-						
ITALGAS S.p.A. - TL MEDIOBANCA	2024	2027	euro	0.65%+Eurib or 6M		124,876	124,876					
ITALGAS S.p.A. - INTESA SANPAOLC	2025	2028	euro	0.70%+Eurib or 3M		299,629		299,629				
ITALGAS S.p.A. - CAIXA BANK	2025	2028	euro	0.67%+Eurib or 3M		299,557		299,557				
ITALGAS S.p.A. - BBVA	2025	2028	euro	0.70%+Eurib or 3M		299,617		299,617				
ITALGAS S.p.A. - BNL	2025	2028	euro	0.67%+Eurib or 3M		249,654		249,654				
ITALGAS S.p.A. - CACIB	2025	2028	euro	0.60%+Eurib or 3M		249,474		249,474				
Other lenders			euro		24							

The table below shows the reconciliation of the liabilities arising from the loans, as required by IAS 7:

(thousands of euro)	31/12/2024(*)	No cash flow changes			31/12/2025
		Changes from financing cash flows	Effect of changes in foreign exchange rates	Changes due to IFRS9	
Cash and cash equivalents	4,628,191	(533,816)		9,134	4,103,509
Short-term financial debts	4,031,790	(1,617,763)		573	2,208,342
Long-term financial debts	36,892,802	5,451,524		3,053,989	45,714,607
Financial debts for leased goods	182,184	(89,360)		23,187	265,825
Gross financial debt	41,106,776	3,744,401		3,077,749	48,188,774
Net financial debt	36,478,585	4,278,217		3,068,615	44,085,265

(*) To provide a clearer comparative overview, the balance of this item as at 31 December 2024 has been restated.

19. Other non-current financial liabilities

Other non-current financial liabilities were recognised in the financial statements for a total amount of 465.8 million euro (100.5 million euro at 31 December 2024). The following table shows the breakdown of the item and the respective fair value levels.

(thousands of euro)	31/12/2025			31/12/2024		
	L1	L2	L3	L1	L2	L3
Fair value-related hedging derivatives		54,143			48,070	
a) interest rate risk		54,143			48,070	
b) exchange rate risk						
c) several risks						
Cash flow hedge-related derivatives		68,600			28,483	
a) interest rate risk		33,798			27,170	
b) exchange rate risk		34,802			1,313	
c) other						
Foreign investments hedging derivatives						
a) interest rate risk						
b) exchange rate risk						
c) other						
Non-hedging derivatives		343,076			23,991	
Totale		465,819			100,544	

20. Deferred tax liabilities

Deferred tax liabilities recorded at 31 December 2025 amounted to 2,135 million euro (1,861 million euro at 31 December 2024), and consist almost entirely of deferred tax liabilities entered as the balancing entry recognised in the income statement as detailed in the following table:

(thousands of euro)	31/12/2025	31/12/2024
Deferred tax liabilities		
- recognised in income statement	2,076,883	1,824,095
- recognised in equity	57,908	37,216
Total	2,134,791	1,861,311

Below is the breakdown of deferred tax liabilities:

(thousands of euro) Items/Figures	31/12/2025	31/12/2024
Deferred tax liabilities recognised in income statement	2,076,883	1,824,095
- surplus paid in instalments	2,052	2,769
- staff severance pay	5,120	2,773
- leasing		
- property, plant and equipment	1,761,174	1,709,943
- own securities		
- equity investments	32,572	28,986
- other financial instruments		
- exchange rate differences		
- other temporary differences	275,965	79,624
Deferred tax liabilities recognised in equity	57,908	37,216
- financial assets at FVTOCI		
- other reserves	37,615	35,469
- Law 213/98 reserves	20,293	1,747
- other reserves		
Total	2,134,791	1,861,311

The changes in deferred tax liabilities during the year, with the balancing entry in the income statement, are shown below.

(thousands of euro) Items/Figures	31/12/2025	31/12/2024
1. Opening balance	1,824,095	1,912,188
Change in opening balance		
2. Increases	408,225	85,017
2.1 Deferred tax liabilities recognised during the year	41,182	78,492
a) in respect of previous periods		
b) due to change in accounting policies		
c) others	41,182	78,492
2.2 New taxes or increases in tax rates		
2.3 Other increases	6,440	6,358
2.4 Business combination transactions	360,603	167
3. Decreases	(155,437)	(173,110)
3.1 Deferred tax liabilities derecognised during the year	(130,132)	(142,379)
a) reversals	(126,278)	(139,405)
b) due to change in accounting policies		
c) others	(3,854)	(2,974)
3.2 Reduction in tax rates		
3.3 Other decreases	(25,305)	(30,731)
3.4 Business combination transactions		
4. Closing balance	2,076,883	1,824,095

The changes in deferred tax liabilities during the year, with the balancing entry in equity, are shown below.

(thousands of euro)

Items/Figures	31/12/2025	31/12/2024
1. Opening balance	37,216	40,091
Change in opening balance		
2. Increases	23,640	28,148
2.1 Deferred tax liabilities recognised during the year	5,094	245
a) in respect of previous periods		
b) due to change in accounting policies		
c) others	5,094	245
2.2 New taxes or increases in tax rates		
2.3 Other increases	18,546	24,076
2.4 Business combination transactions		3,827
3. Decreases	(2,948)	(31,023)
3.1 Deferred tax liabilities derecognised during the year		(30,064)
a) reversals		(21,155)
b) due to change in accounting policies		
c) others		(8,909)
3.2 Reduction in tax rates		
3.3 Other decreases	(2,948)	(959)
3.4 Business combination transactions		
4. Closing balance	57,908	37,216

21. Other non-current liabilities

The table below provides a breakdown of Other non-current liabilities recognised at 31 December 2025 for a total amount of 3,271 million euro (2,456 million euro at 31 December 2024).

(thousands of euro)

Items/Figures	31/12/2025	31/12/2024
Accrued liabilities and deferred income	16,069	7,200
Accrued liabilities and deferred income from regulated activities	1,929,318	1,295,773
Other liabilities	1,325,408	1,152,889
Total	3,270,795	2,455,862

Other non-current liabilities are broken down as follows:

- Accrued expenses and deferred income relating to regulated activities (1,929.3 million euro) mainly include contributions relating to gas connections (1,162 million euro) and water connections (820 thousand euro). The increase of liabilities in connection contributions is attributable to the inclusion of the 2i Rete Gas group within the consolidation scope. The item also includes deferred income relating to capital contributions of Terna S.p.A. (54 million euro), as well as advances received for the construction of private interconnectors Italy–Montenegro, Italy–France and Italy–Austria (amounting to 563.7 million euro in total).
- Other liabilities (1,325.4 million euro) mainly relate to:
 - Snam's security deposits, amounting to 697 million euro, that represent payments received as collateral primarily from users of the balancing service, in accordance with Resolution ARG/gas 45/11 "Regulations for the economic merit balancing of natural gas" and the gas transportation service;
 - security deposits received by the Terna group from operators participating in the capacity market pursuant to Resolution No. 98/2011/R/eel⁸³ and subsequent amendments; the Interconnector Guarantee Fund ; contributions for the construction of interconnection works pursuant to Article 32 of Law 99/09; and the adjustment of the contingent liability relating to the acquisition of the 11.0% minority interest in the subsidiary Altemia S.r.l..

22. Liabilities directly attributable to assets held for sale

As at 31 December 2025, the item amounts to 46.4 million euro (0.2 million euro as at 31 December 2024), relating to "Liabilities associated with assets held for sale", arising from the Italgas group (46.2 million euro) and the Terna group (0.2 million euro), as described in Note 8 to the statement of financial position (assets), to which reference is made for further details.

⁸³ The regulations governing the remuneration system for generation capacity availability were approved by Ministerial Decree dated June 28, 2019. The deposits were paid by the operators awarded contracts following the competitive procedures organized by Terna on November 6 and 28, 2019; they serve as a guarantee for the entire capacity market effective from 2022, the purpose of which is to ensure the achievement and maintenance of the adequacy of the national electricity system, such as to structurally meet expected electricity consumption plus the necessary power reserve margins to meet predetermined levels of safety and service quality.

The following table shows the breakdown:

(thousands of euro)		
Items/Figures	31/12/2025	31/12/2024
C. Liabilities associated to individual assets held for sale		
C.1 Debts	5,173	
C.2 Securities		
C.3 Other liabilities	41,081	
Total C	46,254	
D. Liabilities associated to groups of individual assets held for sale		
D.1 Loans payable		
D.2 Financial liabilities		
D.3 Provisions		
D.4 Other liabilities	180	151
Total D	180	151
Total	46,434	151

Current liabilities

23. Current portion of long-term loans

This item, which at 31 December 2025 amounted to 5,518 million euro (2,967 million euro at 31 December 2024) includes the current portion of long-term loans for the current portion. The following table shows its composition:

(thousands of euro)		
Items/Figures	31/12/2025	31/12/2024(*)
Bonds	3,659,426	2,517,769
- EMTN programme	3,646,532	2,504,875
- other issues	12,894	12,894
Bank loans	1,781,906	392,280
Lease liabilities	72,932	52,202
Other lenders	4,159	4,485
Total	5,518,423	2,966,736

(*) In order to provide a better comparative presentation, the balance of the item as at 31 December 2024 was restated

A breakdown of this item is detailed in the tables set out in note 18.

24. Trade payables

Trade payables recorded at 31 December 2025 amounted to 5,304 million euro (4,761 million euro at 31 December 2024) and were broken down as follows:

(thousands of euro)		
Items/Figures	31/12/2025	31/12/2024
Payables due to suppliers	5,177,190	4,680,313
- energy-related payables	2,197,070	2,169,151
- non-energy-related payables	1,689,521	1,274,229
- GAS sector payables	1,076,208	923,712
- due to other suppliers	214,391	313,221
Payables for construction contracts	126,575	81,090
Total	5,303,765	4,761,403

Energy-related trade payables (2,197 million euro) are recognised in Terna's financial statements and relate to the financial effects of "pass-through" costs. The change compared to the comparison period (27.9 million euro) is essentially attributable to:

- the increase in debt exposure relating to the Capacity Market (82.3 million euro), due to higher costs incurred during the period;
- the increase in payables relating to units essential for the security of the electricity system – UESS (73.9 million euro), due to lower payments in 2025 for the reimbursement of costs approved by ARERA to plant operators⁸⁴;

⁸⁴ ARERA authorised payments in favour of operators of essential units through Resolutions No. 17, 36, 49, 84, 96, 108, 135, 208, 230, 256, 257, 273, 291, 318, 319, 327, 342, 431, 432, 446, 453, 465, 472, 473, 474, 483, 484, 494, 510, 530, 531, 540 and 541/2025.

- higher payables relating to the extraordinary modulation service (72.9 million euro), reflecting accruals to be settled with service providers in the first months of 2026;
- a decrease in payables (140.8 million euro) relating to costs within the balancing and redispatching market (MBR);
- a reduction in payables (24.1 million euro) relating to the procurement of resources under the ITC (Inter-TSO Compensation) mechanism.

Non-energy-related payables include amounts owed to suppliers for invoices received and receivable for contracts, services and purchases of materials and equipment, as well as payables to Terna group affiliates. The increase compared with the previous year is mainly attributable to higher investment activities carried out primarily by the subsidiary Terna Rete Italia S.p.A. (289.2 million euro), higher payables of Terna S.p.A. (88.2 million euro), and increases in payables of the Altemia group (33.9 million euro) and the Tamini group (19.8 million euro).

Trade payables in the Gas segment, amounting to 1,076 million euro, mainly relate to: (i) the transportation segment (503 million euro), of which 153 million euro arises from balancing activities; (ii) the Market Solutions segment of the Snam group (196 million euro); and (iii) payables to suppliers of the Italgas group (377 million euro) for the purchase of goods and services.

25. Income tax liabilities

Current tax liabilities amounted to 60 million euro at 31 December 2025 (206 million euro at 31 December 2024) and were broken down as follows:

(thousands of euro) Items/Figures	31/12/2025	31/12/2024
Income tax payables		
- Ires payables	38,996	149,733
- Irap payables	19,802	51,686
- other tax payables	710	4,523
Total	59,508	205,942

26. Current financial liabilities

Current financial liabilities amount to 2,212 million euro as at 31 December 2025 (4,041 million euro as at 31 December 2024) and mainly relate to:

- the Terna group (755 million euro), primarily consisting of short-term borrowings and Commercial Paper issued by Terna S.p.A.;
- the Snam group (1,377 million euro) relating mainly to: the issue of Euro Commercial Paper (ECP) placed with institutional investors (822 million euro) and (ii) the drawdown of uncommitted variable-rate bank credit facilities (550 million euro).

The following table shows the breakdown:

(thousands of euro) Items/Figures	31/12/2025			31/12/2024(*)				
	Carrying amount	L1	L2	L3	Carrying amount	L1	L2	L3
Fair value-related hedging derivatives	631		631					
a) interest rate risk	631		631					
b) exchange rate risk								
c) several risks								
Cash flow hedge-related derivatives	2,620		2,620		8,980		8,980	
a) interest rate risk	2,620		2,620		8,980		8,980	
b) exchange rate risk								
c) other								
Hedging derivatives on foreign investment								
a) interest rate risk								
b) exchange rate risk								
c) other								
Non-hedging derivatives								
Other financial liabilities	2,208,342		554,168	806,091	4,031,790			2,010,449
Total	2,211,593		557,419	806,091	4,040,770		8,980	2,010,449

(*) In order to provide a better comparative presentation, the balance of the item as at 31 December 2024 was restated

27. Other current liabilities

Other current liabilities amounted to 7,235 million euro at 31 December 2025 (7,176 million euro at 31 December 2024) and were broken down as shown in the following table:

(thousands of euro) Items/Figures	31/12/2025	31/12/2024
VAT payables	10,169	28,166
Irpef withholdings on employees	23,273	17,995
Other duties and taxes	44,256	18,326
Accrued liabilities and deferred income	59,435	70,620
Advances	561,120	343,431
Payables due to pension and social security institutions	96,241	80,979
Payables due to employees	183,747	162,861
Accrued liabilities and deferred income from regulated activities	37,554	67,024
Other liabilities	6,219,473	6,386,420
Total	7,235,268	7,175,822

The “Other liabilities” item mainly represents payables due to “Cassa per i Servizi Energetici e Ambientali (CSEA)”, equal to 2,659 million euro, of the Snam group and mainly includes: (i) 1,445 million euro related to retrocessions from gas volume sales for the last-resort filling service, in line with resolutions 274/2022/R/Gas and 3/2023/R/Gas; (ii) 1,186 million euro for additional tariff components. The same item also includes liabilities relating to investment activities: (i) of the Snam group, amounting to 1,244 million euro, mainly relating to the transportation (682 million euro) and natural gas storage (96 million euro) segments, and also including estimated liabilities for contractually agreed earn-outs (219 million euro); and (ii) of the Italgas group, amounting to 479 million euro, mainly relating to payables to suppliers for technical activities.

III - INFORMATION ON THE CONSOLIDATED INCOME STATEMENT

A. REVENUES

28. Revenues from sales and services

Revenues from sales and services: breakdown

(thousands of euro) Items/Figures	2025	2024
Revenues from electricity dispatching and distribution		
CRT Transmission revenue	2,812,766	2,423,777
Service quality	16,715	20,547
Other energy revenues	401,403	612,604
Other sales and performance	718,275	557,432
Total	3,949,159	3,614,360
- of which IFRIC 12 revenues	121,022	112,851
Revenues from storage, transportation, regasification and distribution of natural gas		
Storage	526,077	490,141
Distribution	3,315,563	2,328,045
Transport and dispatching	2,787,619	2,551,171
Regasification	180,034	155,462
Other sales and performance	551,174	500,850
Total	7,360,467	6,025,669
- of which IFRIC 12 revenues	995,631	746,502
Total revenues from sales and services	11,309,626	9,640,029

Revenues for the dispatching and distribution of electricity (3,949 million euro) referred to Terna group increased overall growth (approximately +335 million euro compared to the previous year) essentially deriving from the following effects:

- compensation for CRT network usage (+385.4 million euro compared to the previous year): this item refers to the remuneration for the ownership and management of the National Transmission Grid (RTN) under the responsibility of Terna S.p.A. (2,604.8 million euro) and its subsidiary Rete S.r.l. (171.5 million euro) and Terna Crna Gora d.o.o. (17.9 million euro). The increase in the item is mainly attributable to: i) the recognition of the fast money component, calculated on the basis of the conventional capitalisation rate defined under the ROSS application; ii) the shortening of the timeframes for tariff recognition of depreciation relating to investments made from 2024 onwards; iii) the recognition of the 2024 tariff decoupling adjustment (ARERA Resolution No. 573/2025/R/eel), and iv) the estimate of the 2025 tariff decoupling adjustment, including the effect of the new parameters for the revaluation of the cost of capital (ARERA Resolution No. 130/2025/R/eel); as well as the increase in the RAB and the simultaneous reduction in the WACC, which decreased from 5.8 percent in 2024 to 5.5 percent in 2025;
- other energy revenues mainly relate to: (i) the fee recognised for dispatching and metering services (DIS component amounting to 169.3 million euro and MIS component amounting to 3.7 million euro), as well as other energy revenues of 2.2 million euro; (ii) revenues from the construction and development of concession infrastructure recognised pursuant to the application of IFRIC 12, amounting to 121 million euro; (iii) output-based incentives relating to dispatching activities, totalling 123.8 million euro. These incentives refer to the portion attributable to the period under the incentive mechanism provided for by Resolution No. 326/2024 aimed at reducing the costs of the balancing services market, curtailed wind generation and essential plants for the 2025–2027 three-year period, as well as the development of additional inter-zonal transmission capacity, for the portion of the incentive provided for by ARERA Resolutions No. 473/2023/R/eel, No. 445/2024/R/eel, No. 420/2025/R/eel and No. 440/2025/R/eel. The item decreased by 237.2 million euro compared with the same period of the previous financial year, mainly due to the reduction in incentives linked to dispatching pursuant to ARERA Resolutions No. 597/2021/R/eel, No. 132/2022/R/eel and No. 326/2024/R/eel, largely offset by higher incentives related to the scheme for the development of additional inter-zonal transmission capacity;
- other sales and services increased by approximately 161 million euro compared with the previous year, mainly due to the higher contribution from the Tamini Group (+54.3 million euro), the Brugg Group (+20.4 million euro), and higher revenues from Energy Services activities (+84.9 million euro), mainly related to the recognition of revenues from the subsidiary Ste Energy S.r.l., acquired during the year. Lower revenues from connection services to the National Transmission Grid were also recorded (-0.2 million euro).

Gas sector revenues, totalling 7,360 million euro, are mainly attributable to the following factors:

- Snam group's revenues from the Natural Gas Transmission segment amounting to 2,696 million euro, are reported net of the tariff components and additional charges beyond the standard tariff, which are allocated to cover the general costs of the gas system (2,807 million euro, compared to 3,851 million euro in 2024), with these amounts paid back

by Snam to the Cassa per i Servizi Energetici e Ambientali (CSEA). The main components, primarily related to the transportation sector, are as follows:

- the CRVOS tariff component, amounting to a total of 1,058 million euro (1,244 million euro in 2024), introduced in 2011 by the ARG/gas 29/11 resolution of the Authority, covers the costs arising from the application of the revenue guarantee factor for the storage service;
- the additional tariff components GST and RET, amounting to 531 million euro (383 million euros in 2024), introduced by the Authority's resolutions ARG/Com 93/10 and ARG/Gas 177/10 effective January 1, 2011, intended to finance, respectively, the "Account for the compensation of tariff subsidies to gas sector customers in financial distress" (GS Account) and the "Fund for measures and interventions for energy savings and the development of renewable energy sources in the natural gas sector" (RE Account);
- the CRVST tariff component, amounting to 371 million euro (887 million euro in 2024), introduced by resolution 782/2017/R/GAS to cover costs arising from the new gas settlement rules, which apply to the quantities of gas delivered to the Transport Service user at the delivery points supplying distribution networks.

During 2025, Snam provided transportation service for 307 users

- Snam group's revenues from the Natural Gas Storage business in the amount of 526 million euro, primarily related to the fees for the modulation and strategic storage service. During 2025, Snam provided natural gas storage service for 78 operators.
- Revenues of the Snam group, amounting to 331 million euro, relate to: (i) revenues from energy efficiency projects (197 million euro; 192 million euro in 2024); (ii) fees for the construction and operation of biogas and biomethane plants (113 million euro; 109 million euro in 2024); and (iii) revenues from sustainable mobility projects (21 million euro).
- Revenues of the Snam group from the Liquefied Natural Gas (LNG) regasification sector, amounting to 180 million euro, mainly relate to fees for regasification services. The increase is mainly attributable to the commissioning of the Ravenna FSRU during 2025.
- Italgas group's revenues, mainly refer to the fee for natural gas transmission service and other regulated revenues and revenues from the construction and upgrading of gas and water distribution infrastructure related to concession agreements in accordance with IFRIC 12. Revenues from gas distribution in Italy are presented net relating to additional tariff components beyond the distribution tariff that are intended to cover the general system charges of the gas system. These amounts are paid, where positive, charged, where negative, in equal amounts, to CSEA. Gas distribution revenues, representing an increase of 687,882 thousand euro compared with 31 December 2024, mainly reflecting the benefits of the new consolidation scope resulting from the acquisition of the 2i Rete Gas companies. Despite the significant reduction in the WACC (-51.6 million euro), the item increased as a result of the growth in the RAB, mainly attributable to investments carried out during the period, the effect of the deflator and the impact in 2025 of the higher operating costs recognised for tariff purposes under ARERA Resolution No. 87/2025/R/gas. These revenues relate to the transportation of natural gas on behalf of all commercial operators requesting access to the distribution companies' networks and include the effects arising from: i) the implementation of Resolution No. 737/2022/R/gas, concerning the recognition of the residual value of smart meters with a capacity not exceeding G6 manufactured up to 2016 and commissioned by 2018; ii) higher revenues associated with the contribution provided for under Article 57 of ARERA Resolution No. 570/2019/R/gas, relating to the replacement of traditional meters with electronic meters (smart meters) and the recovery of non-depreciated amounts (so-called IRMA) pursuant to Consultation Document No. 545/2020/R/gas, Resolution No. 570/2019/R/gas, Resolution No. 287/2021 and Determination No. 3/2021.
- Revenues from energy efficiency initiatives amounted to 76,002 thousands euro as at 31 December 2025 and increased due to the contribution of new energy efficiency projects developed during the year under the new incentive schemes (Superbonus and Ecobonus).
- Revenues from the integrated water service, amounting to 95 million euro as of 31 December 2025, relate to the activities of water extraction, treatment, transport, distribution, and sale in Campania.

29. Other revenues and income

The table below shows the breakdown of Other revenues and income, which as at 31 December 2025 amounted to 193 million euro (143 million euro at 31 December 2024):

(thousands of euro)

Items/Figures	2025	2024
Other industrial revenues	62,642	25,783
Revenues from the sale of gas for the balancing service		2,088
Contractual penalties and other income relating to trade transactions	62,642	23,695
Other revenues and incomes	113,552	101,578
Rental income	2,889	2,877
Other contributions	11,543	27,552
Other income	99,120	71,149
Gains on disposal	17,182	16,086
Gains on disposal from property, plant and equipment	17,075	15,755
Gains on disposal from intangible assets	107	331
Total	193,376	143,447

B. OPERATING COSTS

30. Raw materials and consumables used

The breakdown of costs for raw materials is shown in the table below:

(thousands of euro)

Items/Figures	2025	2024
Raw materials, supplies, consumables and goods	1,080,957	1,047,321
Increases for internal work	(293,079)	(325,057)
Total	787,878	722,264

The item represents the value of materials and miscellaneous equipment consumed in ordinary plant operation and plant maintenance, as well as the consumption of materials for the fulfilment of orders.

31. Services

Costs for services recognised in the financial statements at 31 December 2025 amounted to 1,680 million euro (1,208 million euro at 31 December 2024) and were broken down as follows:

(thousands of euro)

Items/Figures	2025	2024
Construction, planning and works management	752,405	777,208
IT services (Information Technology)	154,507	163,789
Purchase of transport capacity (interconnection)	154	409
Maintenance services	109,830	91,227
Technical, legal, administrative and professional services	261,597	197,174
Personnel-related services	45,520	41,944
Telecommunications services	49,121	42,501
Electricity, thermal energy, water, etc.	56,714	38,689
Advertising and marketing expenses	29,501	25,346
Other services	249,825	206,080
Costs for leases and rentals	331,411	226,222
- fees, patents and user licenses	140,941	87,317
- leases and rentals	190,470	138,905
Increases for internal work	(369,728)	(608,511)
Commission expenses	9,031	5,840
Total	1,679,888	1,207,918

Costs for professional services include the 2025 fees for auditing, certification and other services provided to companies of the Group by the independent auditors of the parent company CDP RETI, namely Deloitte & Touche S.p.A.

In accordance with Article 149-duodecies of Consob Issuers' Regulation No. 11971, the fees for the audit and non-audit services for the 2025 financial year, provided by the appointed auditor and entities belonging to its network, are set out below.

(thousands of euro)

Items/Figures	Deloitte & Touche S.p.A.	Other companies in the Deloitte network
Auditing	3,700	163
Parent Company	76	
Subsidiaries	3,624	163
Certification	1,821	580
Parent Company	39	
Subsidiaries	1,782	580
Other Certification		
Parent Company		
Subsidiaries		
Total	5,521	743

32. Staff costs

A breakdown of staff costs is provided below:

(thousands of euro)

Items/Figures	2025	2024
1) Employees	1,382,637	1,214,078
a) salaries and wages	965,480	840,821
b) social security charges	66,683	66,971
c) staff severance pay	29,306	22,589
d) pension costs	206,299	163,344
e) provision for staff severance pay	2,056	2,004
f) provision for post-employment benefits:		
- defined contribution		
- defined benefits		
g) payments to external supplementary pension plans:		
- defined contribution	36,584	30,235
- defined benefits	30,752	25,065
- defined benefits	5,832	5,170
h) costs related to payment agreements based on own equity instruments		
i) other benefits for employees	76,229	88,114
2) Other personnel in service	14,165	13,887
3) Board of Directors and Board of Auditors	22,741	14,059
4) Retired personnel		
5) Increases for internal work	(335,686)	(242,457)
Total	1,083,857	999,567

The following table shows the average headcount of group employees by contractual level:

Items/Figures	2025	2024
Senior Managers	331	323
Middle Managers	2,238	2,074
Office staff	9,283	8,162
Manual workers	4,275	3,794
Total	16,127	14,354

With reference to the average figures of workforce per company, see paragraph "3.1 Organisational structure" of the consolidated report on operations.

33. Amortisation, depreciation and impairment of property, plant and equipment and intangible assets

Amortisation, depreciation and impairment, amounting to 3,032 million euro at 31 December 2025 (2,689 million euro at 31 December 2024) are broken down as follows:

(thousands of euro) Items/Figures	2025				2024			
	Amortisation and depreciation (a)	Impairment adjustments (b)	Write-backs (c)	Net result (a+b+c)	Amortisation and depreciation (a)	Impairment adjustments (b)	Write-backs (c)	Net result (a+b+c)
Property, plant and equipment	1,946,482	45,899	(333)	1,992,048	1,791,196	58,379		1,849,575
- Owned	1,859,520	45,899	(333)	1,905,086	1,726,767	58,379		1,785,146
- Right of use acquired under leases ex IAS 17	282			282	282			282
- Right of use acquired under leases IFRS 16	86,680			86,680	64,147			64,147
Intangible assets	1,052,316	8,087	(20,911)	1,039,492	850,449	1,428	(12,565)	839,312
- Owned	1,052,316	8,087	(20,911)	1,039,492	850,449	1,428	(12,565)	839,312
- Right of use acquired under leases IFRS 16								
Total	2,998,798	53,986	(21,244)	3,031,540	2,641,645	59,807	(12,565)	2,688,887

33 a. Net impairment/ recoveries of trade receivables and other receivables

This item, recognised following the adoption of IFRS 9, amounts to -0.3 million euro (24.6 million euro as at 31 December 2024) and is mainly attributable to the Snam and Italgas groups.

34. Other operating costs

Other operating costs, which amounted to 360 million euro at 31 December 2025 (314 million euro at 31 December 2024), are shown in the table below:

(thousands of euro) Items/Figures	2025	2024
Indirect duties and taxes	34,398	30,601
Losses from cancellation of property, plant and machine and intangible assets	58,576	70,230
Service quality charges	24,766	9,407
Net provision for risks and charges	45,198	43,804
Other costs	197,435	159,943
Total	360,373	313,985

C. FINANCIAL INCOME (EXPENSE)

35. Financial income

Financial income, amounting to 327 million euro as at 31 December 2025 (449 million euro as at 31 December 2024) is broken down as follows:

(thousands of euro) Items/Figures	2025	2024
Interest income and other financial income	287,584	392,257
Interest income on hedging derivatives	1,013	53,367
Income on trading activities	1,867	152
Income on hedging transactions	28,274	1,800
Fair value gains of financial assets measured at fair value	7,424	1,613
Recoveries for credit risk relating to financial assets at fair value	229	
Other financial income	185	108
Total	326,576	449,297

36. Financial expenses

Financial expenses recognised at 31 December 2025 amounted to 1,493 million euro (1,125 million euro at 31 December 2024) and are broken down as follows:

(thousands of euro)		
Items/Figures	2025	2024
Interest expenses and other charges	1,125,026	1,091,881
- of which: interest expenses on bonds	698,681	423,182
- of which: interest expense on finance lease	7,479	5,449
Interest expenses on hedging derivatives	11,025	
Exchange rate differences		(120)
Financial expenses from trading activities	332,870	27,791
Financial expenses from hedging activities	22,048	2,177
Financial expenses on disposal and repurchase		884
Fair value losses of financial assets measured at fair value	36	2,004
Adjustments for credit risk relating to financial assets	2,350	333
Total	1,493,355	1,124,950

37. Portion of income / (expenses) from equity investments accounted for using the equity method

Income and expenses from equity investments, amounting to 371 million euro at 31 December 2025 (284 million euro at 31 December 2024) consisted of the following:

(thousands of euro)								
Items/Figures	2025				2024			
	Joint ventures	Associates	Other	Total	Joint ventures	Associates	Other	Total
1. Income	155,868	281,205	6,397	443,470	127,148	192,486	315	319,949
- Net equity valued investments	132,532	157,013		289,545	127,148	186,782		313,930
- Other investments								
2. Gains on disposal		123,089		123,089				
3. Writebacks								
4. Other	23,336	1,103	6,397	30,836		5,704	315	6,019
B. Charges		(72,112)	(563)	(72,675)	(21,648)	(1,856)	(12,937)	(36,441)
1. Impairment		(72,112)	(563)	(72,675)	(20,789)	(1,856)	(446)	(23,091)
- Net equity valued investments		(72,112)		(72,112)	(20,789)	(1,856)		(22,645)
- Other investments			(563)	(563)			(446)	(446)
2. Impairment adjustments								
3. Losses on disposal								
4. Other					(859)		(12,491)	(13,350)
Total	155,868	209,093	5,834	370,795	105,500	190,630	(12,622)	283,508

The item includes the revaluation and write-off shares of equity investments accounted for using the equity method.

For further information see paragraph "4. Equity investments" of these notes to the financial statements.

37a. Other income (expenses) from equity investments

At 31 December 2025 this item has a nil balance.

D. TAXES FOR THE PERIOD

38. Taxes for the period

Taxes for the year amounted to 1,102 million euro (973 million euro at 31 December 2024) and were broken down as follows:

(thousands of euro)		
Items/Figures	2025	2024
1. Current taxes (+/-)	1,301,483	1,191,776
2. Change in current taxes from previous years (+/-)	(2,459)	(31,225)
3. Reduction of current taxes for the year (+)		
4. Change in deferred tax assets (+/-)	(108,474)	(124,141)
5. Change in deferred tax liabilities (+/-)	(88,950)	(63,887)
Taxes for the period	1,101,600	972,523

Reconciliation between theoretical and actual tax liability: IRES

(thousands of euro)		
Items/Figures	2025	2024
Income (loss) before taxes	3,774,318	3,483,354
IRES theoretical tax liability (24.0%)	(905,836)	(836,005)
Increase in taxes	(388,552)	(309,245)
- non deductible interest expenses 4%	(16,950)	(8,691)
- temporary non deductible differences	(26,682)	(2,986)
- permanent non deductible differences	(47,653)	(27,638)
- equity investments impairment		
- adjustments on receivables		
- effect of different foreign rates (-)	(979)	(427)
- additional IRES tax (so called "Robin Hood tax")		
- technical reserves		
- exchange rate differences		
- other changes	(296,288)	(269,503)
Decreases in taxes	253,394	165,838
- dividends 95% exempt	224,200	143,509
- non-taxable income		
- ACE benefit		
- temporary differences	1,528	1,469
- prior period deductible expenses		
- IRAP deduction	3,873	2,027
- staff bonuses		
- technical reserves		
- use of accruals		
- exchange rate differences		
- effect of different foreign rates (+)	1,708	2,203
- other changes	22,085	16,630
IRES Actual tax liability	(1,040,994)	(979,412)

Reconciliation between theoretical and actual tax liability: IRAP

(thousands of euro)

Items/Figures	2025	2024
IRAP tax base	4,461,470	3,865,612
IRAP theoretical tax liability 5.57%	(248,504)	(215,315)
Increases in taxes	(42,854)	(33,484)
- non deductible interest expenses 4%	(46)	(4,108)
- other non deductible expenses	(27,213)	(21,077)
- effect of different regional tax rates (-)	(15,595)	(8,299)
Decreases in taxes	50,470	40,102
- prior period deductible expenses (+)		
- deductible employees costs		
- decreases	281	3,712
- effect of different regional tax rates (+)	50,189	36,390
- IRAP surcharge		
IRAP Actual tax liability	(240,888)	(208,697)

E. NET INCOME/(LOSS) FROM CONTINUING OPERATIONS

39. Net income (loss) from assets held for sale

The net income (loss) from assets held for sale at 31 December 2025, amounting to 0.3 million euro, consisted of the profits (losses) on assets included in the scope of the agreement that the Terna group signed on 29 April 2022 with CDPQ, a global investment group, for the sale of the entire portfolio of power lines in Brazil, Peru and Uruguay owned by the Terna group.

In this context:

- the first closing relating to the Brazilian companies SPE Santa Maria Transmissora de Energia S.A., SPE Santa Lucia Transmissora de Energia S.A. and SPE Transmissora de Energia Linha Verde II S.A. was completed on 7 November 2022;
- the second closing, relating to the Uruguayan company Difebal S.A., owner of an electricity transmission line in Uruguay, was completed on 22 December 2020;
- the third closing was completed on 18 November 2024 and concerned the sale to CDPQ of SPE Transmissora de Energia Linha Verde I S.A., which owns an electricity transmission line of approximately 150 km in Brazil.

With regard to the project in Peru, following the communication from the Ministry of Energy and Mines (MINEM) of the negative outcome of the purchaser qualification procedure, it was not possible to proceed with the disposal process to CDPQ. Consequently, the Terna group initiated discussions with Engie Transmision Perú S.A. (Engie's group company) which Terna is expected to be completed within 12 months.

(thousands of euro)

Items/Figures	2025	2024
1. Income	2,051	10,700
2. Expenses	(1,013)	(17,716)
3. Results of valuations of the disposal groups and associated liabilities		
- Revaluations		
- Impairments		
4. Gains (losses) on disposal	(447)	19,585
- Gains on disposal		19,679
- Losses on disposal	(447)	(94)
5. Duties and taxes	(328)	(992)
Totale	263	11,577

IV – BUSINESS COMBINATIONS

IV.1 TRANSACTIONS IN THE PERIOD

During 2025, the following business combination transactions of significance to the CDP RETI Group were recognised.

(thousands of euro)	Date of transaction	(1)	(2)	(3)	(4)
Company name					
Stogit Adriatica S.p.A.	03/03/2025	565,024	100%	37,591	10,497
Gruppo 2i Rete Gas	01/04/2025	2,071,935	100%	322,907	50,026
STE Energy S.r.l.	29/05/2025	15,271	100%	231,976	5,123
Rete 2 S.r.l.	30/09/2025	229,254	100%	7,622	3,166

(1) = Cost of transaction

(2) = Percentage of voting rights in the Ordinary Shareholders' Meeting

(3) = Total group revenues

(4) = Group net Profit (Loss)

With regard to the business combinations carried out during the year, the following should be noted.

Stogit Adriatica S.p.A.

On 3 March 2025, through its subsidiary Stogit, the Snam group completed the acquisition from Edison of 100% of the share capital of Stogit Adriatica (formerly Edison Stocaggio). The acquisition was finalised after the signing of the purchase agreement on 25 July 2024 and the receipt of the necessary authorisations pursuant to applicable antitrust and golden power regulations.

The company plays a key role in national energy security thanks to its three storage sites in Cellino (TE), Collalto (VT), and San Potito and Cotignola (RA), offering a total capacity of roughly 1.1 billion cubic metres per year, including approximately 140 million cubic metres designated as strategic reserve.

As set out in the table below, the acquisition was completed for a consideration of 565 million euro, inclusive of the ticking fee. The consideration amount does not include any contractual adjustments that may be granted to the seller as a result of the administrative dispute concerning revenues recognised in previous years for the activities at the San Potito and Cotignola site, as these are not classified as “contingent consideration” under IFRS 3.

(thousands of euro)

Items/Figures	Carrying amount	Adjustment	Fair value
Assets			
Property, plant and equipment	288,652	(2,781)	285,871
Inventories - compulsory stock		34,654	34,654
Intangible assets	1,573	336,218	337,791
Deferred tax receivables	21,550		21,550
Income tax receivables	6,763		6,763
Trade receivables	5,602		5,602
Inventories	134,625	(121,058)	13,567
Other current assets	12,614		12,614
Cash and cash equivalents	1,190		1,190
Total acquired assets	472,569	247,033	719,602
Liabilities			
Provision for risks and charges	63,264	(1,762)	61,502
Provisions for employee benefits	904	(83)	821
Other non current liabilities		668	668
Deferred tax liabilities		70,295	70,295
Short-term loans and current portion of long-term loans		70	70
Trade liabilities	16,763		16,763
Income tax liabilities	1,885		1,885
Other current liabilities	2,574		2,574
Total acquired liabilities	85,390	69,188	154,578
Acquired net assets	387,179	177,845	565,024
Goodwill			
Business combination cost	387,179	177,845	565,024

With regard to the above acquisition transactions, it should be noted that the values shown in the previous table are subject to the measurement period envisaged in paragraph 45 of IFRS 3, which allows provisional amounts to be recognised in the reporting period, pending within one year of the date of acquisition of any additional information that may arise from any adjustments relating to the assets and liabilities acquired.

2i Rete Gas Group

As part of the Group's development, on 1 April 2025 Italgas completed the acquisition of 99.94% of the share capital of 2i Rete Gas S.p.A. from the sellers F2i SGR S.p.A. and Finavias S.à r.l.. The acquisition, which had been announced to the market on 5 October 2024, was completed after obtaining the necessary approvals under the Golden Power legislation, the Foreign Subsidies Regulation and from the Autorità Garante della Concorrenza e del Mercato [Italian Competition and Market Authority].

On 16 April 2025, the shareholding consolidation intended to lower the company's administrative and management expenses, as well as facilitating post-acquisition group reorganisation, became effective. Following this share consolidation, Italgas obtained 100% ownership of the share capital of 2i Rete Gas. On 1 July 2025, the merger by incorporation of 2i Rete Gas into Italgas Reti was also finalised.

(thousands of euro)

Items/Figures	Carrying amount	Adjustment	Fair value
Assets			
Property, plant and equipment	59,463	(2,065)	57,398
Intangible assets	4,750,241	543,774	5,294,015
Equity investments	3,588	(113)	3,475
Non current financial assets	1,992		1,992
Deferred tax receivables	268,497	17,307	285,804
Other non current assets	53,895		53,895
Non-current assets held for sale	268		268
Trade receivables and other receivables	471,604		471,604
Inventories	15,499	(513)	14,986
Other current assets	29,327	(616)	28,711
Cash and cash equivalents	9,134		9,134
Total acquired assets	5,663,508	557,774	6,221,282
Liabilities			
Non-controlling interests	2,664		2,664
Provision for risks and charges	70,598	(3,100)	67,498
Provisions for employee benefits	21,349		21,349
Provisions for employee benefits	5,717	1,048	6,765
Financial liabilities	2,540,137	(26,465)	2,513,673
Deferred tax liabilities	127,090	163,218	290,308
Other non current liabilities	353,784	364,283	718,067
Liabilities directly associated with non-current assets held for sale	33		33
Short-term loans and current portion of long-term loans	563,795	282	564,077
Trade liabilities and other liabilities	406,890	3,723	410,613
Income tax liabilities	44,297	479	44,776
Other current liabilities	32,056		32,056
Total acquired liabilities	4,168,410	503,468	4,671,878
Acquired net assets	1,495,098	54,306	1,549,404
Goodwill		522,531	522,531
Business combination cost	1,495,098	576,837	2,071,935

With regard to the above acquisition transactions, it should be noted that the values shown in the previous table are subject to the measurement period envisaged in paragraph 45 of IFRS 3, which allows provisional amounts to be recognised in the reporting period, pending within one year of the date of acquisition of any additional information that may arise from any adjustments relating to the assets and liabilities acquired.

Ste Energy S.r.l.

On 29 May 2025, Altenia S.r.l., an 89%-owned subsidiary of Terna Energy Solutions S.r.l., itself controlled by Terna S.p.A., completed the acquisition of 100% of Ste Energy S.r.l., a company active in the design, construction and maintenance of renewable energy installations and electrical infrastructure. The acquisition is aimed at consolidating Altenia S.r.l.'s position as a leader on the national market in the construction and operation of photovoltaic plants.

(thousands of euro)

Items/Figures	Carrying amount	Adjustment	Fair value
Assets			
Property, plant and equipment	351		351
Intangible assets	7,030		7,030
Non current financial assets	1		1
Deferred tax receivables	267		267
Other non current assets	70		70
Income tax receivables	186		186
Trade receivables	16,165		16,165
Inventories	24		24
Other current assets	4,678		4,678
Cash and cash equivalents	10,932		10,932
Other non current liabilities	39,704		39,704
Liabilities			
Provision for risks and charges	985		985
Provisions for employee benefits	155		155
Financial liabilities			
Other non current liabilities	3,922		3,922
Trade liabilities	13,846		13,846
Income tax liabilities	1,942		1,942
Current financial liabilities	1,565		1,565
Other current liabilities	4,395		4,395
Total acquired liabilities	26,810		26,810
Acquired net assets	12,894		12,894
Goodwill		2,377	2,377
Business combination cost	12,894	2,377	15,271

With regard to the above acquisition transactions, it should be noted that the values shown in the previous table are subject to the measurement period envisaged in paragraph 45 of IFRS 3, which allows provisional amounts to be recognised in the reporting period, pending within one year of the date of acquisition of any additional information that may arise from any adjustments relating to the assets and liabilities acquired.

Rete 2 S.r.l.

On 30 September 2025, Terna S.p.A. acquired 100% of Rete 2 S.r.l., a company operating in the electricity transmission sector.

The company receives remuneration through the fees recognised for the return on the following National Transmission Grid assets owned by the company:

- the Cinecittà substation with 9 bays and a 220 kV section;
- the Magliana substation with 8 bays and a 150 kV section;
- the Smistamento Est substation with 12 bays and a 150 kV section;
- a transformer (220/150 kV) at the Cinecittà substation; and
- 481 km of transmission line circuits with a total of 97 new technical sites.

(thousands of euro)

Items/Figures	carrying amount	Adjustment	Fair value
Assets			
Property, plant and equipment	132,929		132,929
Deferred tax receivables	7,550		7,550
Cash and cash equivalents	10		10
Total acquired assets	140,489		140,489
Liabilities			
Provisions for employee benefits	578		578
Other non current liabilities	142		142
Total acquired liabilities	720		720
Acquired net assets	139,769		139,769
Goodwill		89,485	89,485
Business combination cost	139,769	89,485	229,254

With regard to the above acquisition transactions, it should be noted that the values shown in the previous table are subject to the measurement period envisaged in paragraph 45 of IFRS 3, which allows provisional amounts to be recognised in the reporting period, pending within one year of the date of acquisition of any additional information that may arise from any adjustments relating to the assets and liabilities acquired.

IV.2 BUSINESS COMBINATIONS CARRIED OUT AFTER THE REPORTING DATE

In the period running from the reporting date of the consolidated financial statements to the date of their approval by the Board of Directors, no operations additional to those reported in section "6. Significant events after 31 December 2025" of the consolidated report.

V – TRANSACTIONS WITH RELATED PARTIES

V.1 INFORMATION ON THE REMUNERATION OF KEY MANAGEMENT PERSONNEL

The following table provides the remuneration amounts for 2025 to members of the management and control bodies, and key management personnel of the Parent Company and of the companies that are consolidated on a line-by-line basis.

Remuneration of key management personnel

(thousands of euro)	31/12/2025			
	Directors	Board of auditors	Key management personnel	Total
Items/Figures				
a) short-term benefits	13,225	2,390	15,581	31,196
b) post-employment benefits	559		884	1,443
c) other long-term benefits	894		4,073	4,967
d) severance benefits	3,356			3,356
e) share-based payments	2,317		4,525	6,842
Total	20,351	2,390	25,063	47,804

V.2 INFORMATION ON TRANSACTIONS WITH RELATED PARTIES

This paragraph provides the disclosures required pursuant to IAS 24 concerning transactions concluded in 2025 between the CDP RETI Group and related parties.

The related parties of the CDP RETI Group are:

- the Ministry of the Economy and Finance (MEF) and the Group's direct and indirect subsidiaries and associates;
- the companies of the CDP Group, including companies subject to joint control or under significant influence, and their subsidiaries;
- the companies of the CDP RETI Group subject to joint control or under significant influence, and their subsidiaries;
- the company State Grid Europe Limited (SGEL), which exercises significant influence over the parent company CDP RETI and the company State Grid International Development Ltd, which owns the entire capital of SGEL, as well as State Grid International Development Co Ltd and State Grid Corporation of China;
- key management personnel of the CDP RETI Group, their close family members and any companies controlled by them, even jointly;
- post-employment benefit plans for employees of the CDP RETI Group.

The following table shows the assets, liabilities, guarantees and commitments as well as the financial transactions as at 31 December 2025, broken down by type of related party.

Transactions with related parties

31/12/2025

(thousands of euro)	CDP	CDP RETI Group subsidiaries and associates	CDP Group subsidiaries and associates	MEF and MEF subsidiaries and associates	Key management personnel	Other	Total transactions with related parties	Financial statement item Total	% Impact
Property, plant and equipment			18				18	48,282,188	0%
Non-current financial assets	5,279						5,279	932,640	1%
Current financial assets	2,426	73,771					76,197	1,153,497	7%
Trade receivables	194	27,442	548,869	804,048		331	1,380,884	7,141,762	19%
Other current assets				13			13	1,603,277	0%
Cash and cash equivalents	80,834			2,863			83,697	4,103,509	2%
Total assets	88,733	101,213	548,887	806,924		331	1,546,088	64,215,195	2%
Loans	1,194,985	1,117	30,106	215,323		34,922	1,476,453	40,462,009	4%
Current portion of long-term loans				461			461	5,518,423	0.0%
Trade payables	163,430	29,414	314,802	222,376		9,000	739,022	5,303,765	14%
Other current liabilities	13,840		4,370	25,644		8,660	52,514	7,235,268	1%
Total liabilities	1,372,255	30,531	349,278	463,804		52,582	2,268,450	61,196,877	4%
Revenues	187	53,640	1,489,617	3,184,254		261	4,727,959	11,503,002	41%
Operating costs	(34,324)	(30,821)	(275,182)	(235,211)		(16,449)	(591,987)	(6,943,840)	9%
Financial income (expense)	(32,968)	13,385	(1,279)	(2,397)		(1,805)	(25,064)	(795,984)	2%
Income Statement items Total (before tax)	(67,105)	36,204	1,213,156	2,946,646		(17,993)	4,110,908	3,403,523	n/s
Guarantees issued	7,313	1,134,688	127,129	898,586			2,167,716		
Guarantees received	269,984						269,984		
Commitments									

Key transactions between the CDP RETI Group and its related parties concern trade relationships with the companies controlled by the MEF, as follows:

- Snam group's commercial relationships with ENI and Enel groups primarily involve regulated services for natural gas transport, regasification, and storage. Snam provides these services based on the rules established by the Regulatory Authority for Energy, Gas, and the Water System (ARERA). In particular, ARERA sets the tariffs for the use of infrastructures and ensures, through the Reference Codes (Network, Storage, and Regasification), the highest level of impartiality and equal access for Users. The guarantees granted to the subsidiaries and associates of the CDP RETI Group - issued by Snam's group - include the Debt Payment Undertaking in favour of TAP (1,129 million euro) to support the repayment of TAP's outstanding financial debt, which - unlike a first demand guarantee - would be activated upon the occurrence of specific and certain conditions linked to exceptional events of an extraordinary nature;
- Commercial relationships of the Terna group with: (i) the Enel group, relating to the CTR fee and metering aggregation services, dispatching fees, as well as services relating to leases, rentals, line maintenance and power line carrier services on electricity lines owned, and related services; (ii) the Ferrovie dello Stato Italiane group, relating to dispatching fees and to works involving the relocation of lines and crossing fees; (iii) the Eni group, relating to dispatching fees and contributions for connections to the National Transmission Grid (RTN); and (iv) the Gestore dei Servizi Energetici (GSE), relating to dispatching fees;
- Commercial relationships of Italgas: (i) with the Eni group, arising from the supply of natural gas for internal consumption and electricity (passive commercial relationships) and from the distribution of natural gas (active commercial relationships); (ii) with the Enel group, arising from the distribution of natural gas (active commercial relationships); and

(iii) with the Gestore dei Servizi Energetici (GSE) for the acquisition of energy efficiency certificates (active and passive commercial relationships).

A significant item of loans payable and current financial liabilities is the debt payable by CDP RETI to the direct Parent Company CDP. For more information, see Section “V. Transactions with related parties” of CDP RETI S.p.A..

VI - FINANCIAL RISK MANAGEMENT

Regarding the financial risks of the Parent Company CDP RETI, reference is made to the specific section of the notes to the financial statements.

With regard to enterprise risk, the main risks measured and managed at the level of the subsidiaries Snam, Italgas and Terna are indicated below.

SNAM GROUP

Financial risks

Within the framework of corporate risks, the main financial risks identified, monitored, and, as specified below, managed by Snam, are as follows:

- risk arising from exposure to fluctuations in interest rates;
- credit risk arising from the possibility of default by a commercial or financial counterparty;
- liquidity risk arising from the lack of financial resources to meet short-term obligations and the impact of failure to achieve sustainability targets;
- risk arising from exposure to fluctuations in foreign exchange rates;
- risk arising from exposure to fluctuations in commodity prices.

The management and control of financial risks, overseen by Snam through a specialised vertical, is aimed at defining an adequate financial structure and monitoring the corresponding risk limits in order to preserve financial sustainability and ratings. Therefore, Snam implements strategies for optimising and controlling its risk profile, leveraging Key Risk Indicators (KRIs), while carefully considering the context of its operations, the Risk Appetite Framework (RAF), and the broader value system created by the group's business activities.

Specifically, in Snam, financial risk management and control activities are organised according to the following process:

- definition of appropriate KRIs and their limits;
- management;
- monitoring and reporting.

Interest rate risk

Interest rate risk relates to fluctuations in interest rates that affect the market value of the company's financial assets and liabilities, the level of net finance costs, and, specifically, the level of revenue recognised in respect of regulated businesses.

Snam's objective is to minimise interest rate risk whilst pursuing the objectives set out and approved in the Strategic Plan

Snam has adopted a centralised organisational model. Under this model, Snam's business units cover their financial requirements through recourse to the financial markets and use funds in line with the approved objectives, ensuring that the risk profile is kept within set limits.

As at 31 December 2025, Snam makes use of external financial resources in the form of bonds, Commercial Paper, bilateral and syndicated loan agreements with banks and other lending institutions, in the form of financial debt and bank credit facilities. Such borrowings are entered into at interest rates indexed to market benchmark rates, in particular the Euro Interbank Offered Rate (Euribor), as well as at fixed rates. As at 31 December 2025, exposure to interest rate risk, taking into account hedging transactions in place, amounted to approximately 16% of the group's total exposure (19% as at 31 December 2024). On 31 December 2025, Snam holds Interest Rate Swap (IRS) contracts with a total notional value of approximately 3,440 million euro, to hedge against the risk of interest rate changes on variable-rate bank loans and bond issuances.

Although the Snam group has an active risk management policy, in line with its revenue recognition policy, a rise in interest rates on unhedged variable-rate debt could have an adverse effect on the Snam group's operations and financial position.. Although the exposure to changes in interest rates is limited to 16% of the group's total exposure and is mainly linked to the Euribor rate, a change in the method of calculating the Euribor rate and any related fallback clauses that may be introduced, could result in the need for the Snam group to amend the financial agreements affected by the change and/or the management of future cash flows.

Credit risk

Credit risk is the Company's exposure to potential losses arising from a counterparty defaulting on its obligations. Failure or delay in the payment of amounts due could adversely affect the financial results and financial equilibrium of Snam.

With regard to the risk of counterparty default in commercial contracts, credit management is the responsibility of the business units and Snam's centralised functions for activities relating to debt recovery and the handling of any litigation.

For trade receivables, provisions for impairment reflect the value of expected losses over the life of the receivable and are determined on a collective basis according to the expected credit loss model, in line with the requirements of the reference accounting standards, or on the basis of individual and analytical assessments for credit exposures that present specific elements of risk (e.g. litigation or in the presence of available detailed information on the recoverability of the exposure).

With regard to its regulated activities – which currently constitute the group's core business – Snam provides its services to around 660 operators in the gas sector, bearing in mind that the top 10 operators account for approximately 62% of the entire market (with Edison, Eni and Enel Global Trading occupying the top three positions). The rules governing customer access to the services offered are established by the Authority and are set out in the Codes, i.e. documents which, for each type of service, establish the rules governing the rights and obligations of the parties involved in the process of selling and providing the services, and lay down contractual clauses that significantly reduce the risk of default by customers. The Codes provide for the provision of guarantees to cover the obligations undertaken. In certain cases, where the customer holds a credit rating issued by leading international agencies, the requirement for such guarantees may be relaxed. The regulatory framework has also included specific provisions to ensure the neutrality of the entity responsible for balancing activities, a role undertaken by Snam Rete Gas as the main transmission operator since 1 December 2011. In particular, the current balancing regulations stipulate that Snam, based on economic merit criteria, must primarily trade on the GME balancing platform to secure the resources necessary for the safe and efficient movement of gas from entry points to exit points, in order to ensure the constant balance of the network. For regulated activities, the model for determining expected losses incorporates the guarantee and hedging mechanisms described above.

Commercial Litigation and Debt Recovery

The civil litigation of Snam's regulated businesses (transportation, storage, and regasification) relates to the management of commercial operations, the approval of contracts for transportation services, network connection requests, storage and regasification services, gas quality, and all other regulated services. These are primarily ongoing lawsuits against insolvent clients, those in bankruptcy, or other insolvency procedures, where disputes have arisen that could not be resolved through commercial negotiations.

These lawsuits are mainly the result of actions undertaken by Snam Rete Gas to recover outstanding credits related to balancing, transportation, and transport default services provided by the company, given its role as the Balancing Operator recognised by the Energy, Networks, and Environment Regulatory Authority (ARERA), as the primary transportation operator nationwide. The large-scale provision of these services by Snam Rete Gas to customers who are without a gas supplier, a duty imposed by law and specifically by ARERA resolution 249/2012/R/Gas and subsequent amendments, has led to a significant increase in debt recovery actions due to defaults. This increase has been particularly significant in recent years due to the energy crisis caused by the Russia-Ukraine conflict, which led to a substantial rise in gas prices and, as a result, the termination of many contracts with transport users (shippers).

Regarding this type of litigation, the passive procedure described below is of particular relevance.

Romagas S.r.l.'s objection to the injunction order issued in favour of Snam Rete Gas for credits arising from transport default

Through this action, Romagas has additionally requested the Court of Milan to order Snam Rete Gas to pay over 4.1 million euro for the claimed unlawful termination of the transport contract, along with around 1 million euro for the return of the security deposit and late payment interest. As part of this judgment, Snam Rete Gas intends to demonstrate: (i) the legitimacy of the termination of the transport contract, resulting from the significant debt exposure of the claimant, which was not adequately covered by the guarantees required under the current regulatory framework, and (ii) that following this contract termination, the transport default service was indeed provided to the claimant. With the submissions under Article 183, Paragraph VI, the parties presented their evidentiary requests, and the judge, upon resolving the reserved decision, chose to grant only those requested by Snam Rete Gas, namely the expert assessment (CTU) and the order for the production of documents to the *Acquirente Unico*. The preliminary investigation concluded with an expert opinion favourable to the company. The judge rejected Romagas' request for a renewal of the court-appointed expert assessment (CTU) and adjourned the case to the hearing scheduled for 15 December 2026 for the submission of final conclusions.

As for the active litigation, we highlight the proceedings described below.

Debt recovery from the so-called "gas fraudsters"

Snam Rete Gas, in its role as Balancing Operator, is required to procure the quantities of gas necessary to balance the system. In exchange for providing this service to balance the position of certain transport and storage users (who had experienced imbalances since 2012), Snam Rete Gas has accrued credits exceeding 500 million euro. As a result of the debtors' failure to make payments, Snam Rete Gas had to pursue legal action to recover the outstanding credits. In the meantime, many users have gone bankrupt, and as a result, Snam Rete Gas has entered the ongoing insolvency proceedings.

Objection to the court-ordered notice regarding the statement of affairs status of Acciaierie d'Italia in Extraordinary Administration (AS)

In May 2024, Snam Rete Gas, in its role as the operator of the national transport and dispatching service for natural gas provided to Acciaierie d'Italia under default transport service conditions, submitted to the Extraordinary Administration procedure an application pursuant to Article 201 of the Italian Bankruptcy Code (CCII) for the inclusion of Acciaierie d'Italia S.p.A. in A.S. in the creditors' register. The insolvency of Acciaierie d'Italia was declared by the Court of Milan with ruling no. 122/2024, filed on 20 February 2024. In the petition, Snam Rete Gas requested to be admitted with a preferential claim for a total sum of approximately 400.5 million euro, of which: (i) about 375.2 million euro related to principal (around 348.9 million euro) and invoiced interest (around 26.4 million euro) for the service provided until 20 February 2024; and (ii) approximately 25.3 million euro related to principal (around 25.2 million euro) and invoiced interest (around 43.2 thousand euro) for the service provided during the Extraordinary Administration period.

After the hearing on 19 June 2024, the statement of affairs for Acciaierie d'Italia S.p.A. in Extraordinary Administration (A.S.) was submitted, with the Judge recognising the full admission of Snam Rete Gas's claim under the following terms:

approximately

- 25.3 million euro for principal and late interest, accumulated for services rendered during the procedure, as a preferential claim;
- 375.2 million euro for principal and late interest, due prior to the commencement of the procedure, classified as an unsecured claim without preferential status.

The credit generated during the extraordinary administration was recognised as preferential, while the credit originating before the procedure, including default interest, was not recognised as preferential as the legal requirements for such status were not deemed to be met.

In relation to this final decision, Snam Rete Gas has filed an opposition to the statement of affairs of Acciaierie d'Italia S.p.A. in Extraordinary Administration (A.S.) in order to obtain the admission of all credits arising prior to the commencement of the procedure, totalling approximately 375.2 million euro for the service provided up to 20 February 2024, as a preferential claim. This claim is based on the special nature of the credit, arising from a service regarded as essential for ensuring business continuity and provided under a legal obligation. By decree issued at the end of July 2025, the Judge rejected the opposition to the statement of liabilities, ordering that legal costs be offset. The decision was challenged before the Court of Cassation on the grounds of violation of law and failure to examine decisive facts. The appeal also raised a question of constitutional legitimacy in respect of Articles 3, paragraph 1-ter, of Decree-Law No. 347/2003 and 2-quater, paragraphs 1 and 3, of Decree-Law No. 4/2024, as such provisions may result in unequal treatment between entities legally required to provide a service (such as Snam Rete Gas, which is entrusted by ARERA with the default transport service) and entities bound by contract (for which only the latter would allow pre-deductibility of receivables arising prior to the proceedings). With regard to the group's non-regulated businesses, proceedings initiated following debt recovery actions and claims for damages have increased in the last half-year, particularly in relation to condominium entities defaulting on the payment of invoices for energy efficiency and building renovation works. Irrespective of the nature of the business, in all cases where expected recoveries are lower than the carrying amount, Snam's receivables are appropriately impaired.

Liquidity and sustainability risk

Liquidity risk refers to the risk that, due to the inability to obtain new funds (funding liquidity risk) or liquidate assets on the market (asset liquidity risk), the company may fail to meet its payment obligations. This risk can have an impact on the economic result if the company is forced to incur additional costs to meet its obligations, or it can lead, in extreme cases, to insolvency, threatening the continuity of the business.

The goal of Snam's Risk Management is to implement a well-defined financial policy that, in accordance with business goals and the Risk Appetite Framework, guarantees an appropriate liquidity level for the group, consistent with its business profile and the regulatory environment in which it operates. Hence, the goal is to implement a policy that minimises the associated opportunity cost while maintaining a balance in the debt's duration and composition.

The financial market is characterised by a steady increase in financing sources tied to meeting specific sustainability goals. With a view to ensuring the proper management of the liquidity risk, the diversification of sources of funding, including through use of sustainable financial instruments, is therefore vital to ensure that companies have wide access to financial markets at competitive conditions, with resulting positive effects on their financial position and performance of operations.

For Snam, failing to achieve certain ESG targets within the group's sustainability strategy in the medium to long term could, in the future, result in higher financing costs or the inability to access certain funding sources.

Snam addresses this risk by placing great emphasis on ESG issues, which have been a significant part of the company's strategy. Consistent with this strategy, Snam has made greater use of sustainable finance instruments, reaching approximately 85% of the total "committed" sources in 2025. Furthermore, the Sustainable Finance target set out in the 2025–29 Plan (90% by 2029) has been increased to more ambitious levels for the 2026–30 Plan, reaching 95% with a 1% flexibility margin.

To this end, Snam relies on its Sustainable Finance Framework. The Sustainable Finance Framework has been designed with a dual structure, combining the issuance of Green and Sustainability-Linked financial instruments, with the aim of strengthening the group's ongoing commitment to energy integration.

In particular, during 2025, Snam issued on the bond market: (i) in May, a multi-tranche Sustainability-Linked bond (SLB) for a total of 2 billion dollar, representing the first Sustainability-Linked issuance with GHG emission targets covering Scope 1, 2 and 3; and (ii) in July, a European Green Bond of 1 billion euro. During the year, Snam also finalised with its main relationship banks: (i) bank facilities (Term Loans) amounting to 500 million euro, comprising a Green Term Loan of 150 million euro and a Sustainability-Linked Term Loan of 350 million euro; and (ii) a Revolving Credit Facility (RCF) of 250 million euro. Furthermore, as at 31 December 2025, Snam has committed long-term unused credit lines amounting to 5.7 billion euro, of which: Revolving Credit Facilities (RCF) for 5.5 billion euro and EIB loans for 240 million euro. As at 31 December 2025, Snam has an Euro Medium Term Notes (EMTN) programme with a maximum total nominal amount of 15 billion, of which approximately 12.2 billion euro has been utilised, and an Euro Commercial Paper (ECP) programme with a maximum nominal amount of 3.5 billion euro, of which approximately 0.8 billion euro has been utilised.

Snam's liquidity, made up of cash and cash equivalents and other current financial assets, mainly includes current accounts and deposits held with banks of high credit quality.

The group's main long-term financial debt instruments contain covenants typically used in international practice, which include negative pledge and *pari passu* clauses. Failure to comply with these clauses or the occurrence of other events, e.g. cross-default events, may result in Snam's failure to comply and could trigger the early repayment of the related loan, resulting in additional costs and/or problems of liquidity.

The commitments do not contain any covenants that mandate adherence to economic and/or financial ratios.

Among the factors that determine the risk perceived by the market, the credit rating, assigned to Snam by the rating agencies, plays a decisive role because it affects the company's ability to access sources of funding and the related financial conditions. A deterioration of this credit rating could therefore limit access to the capital market and/or result in an increase in the cost of sources of funding, with consequent adverse effects on the group's earnings, cash flows and financial position.

Snam's long-term rating is: (i) Baa2 with a Positive outlook, updated on 17 December 2025 by Moody's Investor Services; (ii) A- with a Negative outlook, updated on 15 April 2025 by Standard & Poor's Global Ratings ("S&P"); (iii) BBB+ with a Stable outlook, confirmed on 13 February 2026 by Fitch Ratings ("Fitch"). Snam's long-term rating from Standard & Poor's is one notch above that of the Italian Republic. Based on the methodology adopted by Moody's and S&P, a one-notch downgrade of the Italian Republic's current rating would likely trigger a corresponding downward adjustment to Snam's current rating.

Although the Snam group has relationships with a diverse range of counterparties with high credit ratings, based on a policy of managing and continuously monitoring the credit risk associated with these counterparties, the default of a counterparty or difficulties in liquidating assets on the market could have a negative impact on the Snam group's operations and financial position.

Snam has in place Supply Chain Finance (SCF) agreements with leading banks, designed to support its suppliers in the efficient management of their cash flow. Under these agreements, Snam repays the bank in accordance with the original due dates and terms of the invoices, without providing any guarantees or paying any fees to the bank. These agreements have no impact on the group's cash flows.

Financial covenants and negative pledge contractual clauses

As at 31 December 2025, Snam had unsecured bilateral and syndicated loan agreements in place with banks and other financial institutions. Some of these agreements include, inter alia, compliance with typical international practice commitments, some of which are subject to specific materiality thresholds, such as, for example: (i) negative pledge commitments pursuant to which Snam and its subsidiaries are subject to limitations concerning the pledging of real property rights or other restrictions on all or part of the respective assets, shares or merchandise; (ii) *pari passu* and change-of-control clauses; (iii) limitations on certain extraordinary transactions that the Company and its subsidiaries may carry out; and (iv) limits on the debt of subsidiaries. Failure to comply with these covenants, and the occurrence of other events such as cross-default events could result in Snam's failure to comply and, possibly, trigger the early repayment of the related loan. Exclusively for the EIB loans, the lender has the option to request additional guarantees if Snam's credit rating is lower than BBB (Standard & Poor's/Fitch Ratings Limited) or Baa2 (Moody's) for at least two of the three ratings agencies. The occurrence of one or more of the aforementioned scenarios could have negative effects on Snam group's operations, results, balance sheet and cash flow, resulting in additional costs and/or liquidity issues. At 31 December 2025, the financial debt subject to these restrictive clauses amounted to approximately 4.2 billion euro.

Bonds issued by Snam as at 31 December 2025, with a nominal value of approximately 13.8 billion euro equivalent, mainly relate to securities issued under the Euro Medium Term Notes⁸⁵ programme. The covenants established for the programme's securities are typical of international market practice and consist of, inter alia, negative pledge and *pari passu* clauses. Specifically, under the negative pledge clause, Snam and its material subsidiaries are subject to limitations to pledging or maintaining encumbrances on all or part of their assets or proceeds to guarantee present or future debt, unless this is explicitly permitted.

⁸⁵ Issues outside the EMTN programme include the €500 million EU taxonomy-aligned transition bond convertible into Italgas shares, issued in 2023, and the US\$1,676 million triple-tranche sustainability-linked bond, issued in 2025.

Exchange rate risk

With regard to exposure to foreign exchange risk, Snam has in place Cross Currency Swap (CCS) derivative contracts with a total notional amount of approximately 600 million pound and 2 billion dollar, providing full hedging of exchange rate risk on a bond denominated in pound sterling and on bonds denominated in dollar, respectively.

The remaining exposure is, given the current circumstances, limited for the group to transactional risk, while exposure to translational risk persists in relation to certain foreign subsidiaries that prepare their financial statements in currencies other than the euro.

At present, Snam has decided not to adopt specific hedging policies in relation to these exposures.

Risk arising from exposure to fluctuations in commodity prices

Due to the context in which it operates, Snam has limited exposure to the risk associated with fluctuations in commodity prices; however, minor exposures persist in certain business areas, primarily related to the price of gas. Although the impact at the consolidated level is limited, Snam's aim in managing this risk is to safeguard the value of cash flows and the associated bottom line from adverse price movements it is exposed to, by using derivative instruments to mitigate such

TERNA GROUP

In carrying out its activities, the Terna group is exposed to various financial risks: market risk, liquidity risk and credit risk.

The group's risk management policies seek to identify and analyse the risks that group companies are exposed to, establishing appropriate limits and controls and monitoring the risks and compliance with such limits. These policies and the related systems are reviewed on a regular basis, in order to take account of any changes in market conditions or in the companies' operations.

The Terna group's exposure to the aforementioned risks is substantially represented by the exposure of Terna S.p.A.

As a part of the financial risk management policies approved by the Board of Directors, Terna has established the responsibilities and operating procedures for financial risk management, specifically with respect to the instruments to be used and the precise operating limits in managing them.

The following table shows financial statement items exposed to the above risks.

(million of euro)	31/12/2025			31/12/2024		
	Loans carried at amortized cost	Fair Value	Total	Loans carried at amortized cost	Fair Value	Total
Assets						
Derivative financial instruments		1.3	1.3			
Cash, Securities and Deposits	1,932.7	631.4	2,564.1	2,511.5	226.5	2,738.0
Trade receivables	3,190.6		3,190.6	3,194.8		3,194.8
Total	5,123.3	632.7	5,756.0	5,706.3	226.5	5,932.8

(million of euro)	31/12/2025			31/12/2024		
	Payables carried ad amortised cost	Fair Value	Total	Payables carried ad amortised cost	Fair Value	Total
Liabilities						
Financial debt	15,382.8		15,382.8	13,748.5		13,748.5
Derivative financial instruments		52.3	52.3		60.5	60.5
Trade payables	4,030.3		4,030.3	3,524.5		3,524.5
Total	19,413.1	52.3	19,465.4	17,273.0	60.5	17,333.5

Financial risks

Market and financial risks of the group

Market risk is the risk that the fair value or future cash flows of a financial instrument may fluctuate as a result of changes in financial market conditions. Market risk relates to interest rate risk, foreign exchange risk and inflation risk.

Risk management must be performed with the objective of minimising the related risks by selecting counterparties and instruments compatible with Terna Risk Management Policy. Speculative activity is not envisaged in the corporate mission.

The Terna group intends to adopt a dynamic approach to financial risk management. This approach is characterised by risk aversion, aiming at minimising risk through continuous monitoring of financial markets in order to execute planned recourse to new debt and hedging transactions in favourable market conditions. The dynamic approach enables the group to intervene in order to improve existing hedges should there be a change in market conditions or changes in the hedged item, making the hedges inappropriate or excessively costly.

The fair value of instruments is determined in accordance with the fair value hierarchy envisaged under IFRS 7 (level 2) by means of appropriate valuation models for each category of financial instrument, using market data as at the end of the financial year (such as interest rates, exchange rates and volatility) and discounting projected cash flows on the basis of the market yield curve at the reporting date.

Interest rate risks

Interest rate risk is represented by the uncertainty associated with changes in interest rates. It is the risk that a change in market interest rates could have an impact on the fair value or future cash flows of financial instruments.

In carrying out its activities, the group is exposed to the risk of fluctuations in interest rates. Its main source of interest rate risk is associated with its net financial debt and the related hedges in the form of derivative instruments that generate financial expenses. The borrowing strategy generally focuses on long-term borrowings, whose term reflects the useful life of the group's assets. It pursues an interest rate risk hedging policy that aims to guarantee that percentage of debt represented by fixed rate liabilities is at least 40%, as provided for in the relevant policies. At the end of 2025, the fixed-rate group debt was 78%.

As at 31 December 2025, interest rate derivatives are represented by fair value hedge derivatives and cash flow hedge derivatives, used to hedge the risk of changes in the fair value of loans and associated cash flows, respectively.

The following table shows the notional amounts and the fair value of derivatives entered into by the Terna group:

(million of euro)	31/12/2025		31/12/2024		Change (+ / -)	
	Notional	Fair value	Notional	Fair value	Notional	Fair value
FVH derivatives	1,400.0	(52.3)	950.0	(47.0)	450.0	(5.3)
CFH derivatives	1,368.5	0.7	1,886.6	(11.8)	(518.1)	11.1

The notional amount of outstanding cash flow hedges at 31 December 2025, amounting to 1,368.5 million euro, breaks down as follows:

- 518.5 million euro (fair value of -0.3 million euro) maturing 2027;
- 650.0 million euro (fair value of -5.5 million euro) maturing 2029;
- 100.0 million euro (fair value of 2.7 million euro) maturing 2033;
- 100.0 million euro (fair value of 3.8 million euro) maturing 2035.

The notional amount of fair value hedges at 31 December 2025, amounting to 1,400.0 million euro, breaks down as follows:

- 850.0 million euro (fair value of -44.3 million euro) maturing in 2030;
- 150.0 million euro (fair value of -0.7 million euro) maturing in 2045;
- 400.0 million euro (fair value of -7.3 million euro) maturing in 2046.

Sensitivity to interest rate risk

Terna has interest rate swaps in place through which it manages the interest rate fluctuation risk.

Since the relationship between the derivative and the hedged item is formally documented and the effectiveness of the hedge, initially and periodically verified, is high, Terna chose to apply hedge accounting in order to ensure perfect time matching between the hedge and the hedged item. The purpose of hedge accounting is to recognise simultaneously the income statement effects of the hedges and the hedged item. As a result, for CFH derivatives, the fair value changes of the derivative must be recognised in "Other comprehensive income" (immediately recognising any ineffective portion in profit or loss) and then derecognised from Equity and recognised in profit or loss in the same period in which the cash flows relating to the hedged item have an impact on income. The characteristics of the CFH derivative contracts in place mirror those of the underlying hedged items; therefore, the related cash flows shall occur at the same maturities as the interest on debt, with no impact of fair value changes on the income statement.

The following table shows: the amounts recognised through profit or loss and in "Other comprehensive income" in respect of positions sensitive to changes in interest rates; the theoretical value of those positions following a positive or negative shift in the market yield curve; and the differential impact of those changes recognisable in the income statement and in "Other comprehensive income". A hypothetical 10% movement in interest rates with respect to market interest rates at the reporting date was assumed:

(million of euro)	Net income or loss			Comprehensive income		
	Current rates +10%	Current values	Current rates -10%	Current rates +10%	Current values	Current rates -10%
31 December 2025						
Positions sensitive to changes in interest rates (FVH, bonds, CFH)	(1.1)	(1.2)	(1.3)	24.7	13.4	1.9
<i>Hypothetical change</i>	<i>0.1</i>		<i>(0.1)</i>	<i>11.3</i>		<i>(11.5)</i>
31 December 2024						
Positions sensitive to changes in interest rates (FVH, bonds, CFH)	(0.2)	(0.6)	(1.0)	(4.8)	(29.1)	(53.8)
<i>Hypothetical change</i>	<i>0.4</i>		<i>(0.4)</i>	<i>24.3</i>		<i>(24.8)</i>

Regulators around the world have launched a reform of IBOR (Interbank Offered Rates), which are used as the benchmark for most financial instruments sold throughout the world, with the aim of restoring confidence in the benchmark. The transition from EONIA to ESTR took place in 2022 without any significant impact. The group is continuing to closely monitor the market and the results produced by the various working groups overseeing the transition to the new benchmark rates for the other maturities (EURIBOR). Terna's management is aware of the associated risks and, for this reason, the group plans to complete the transition in step with the change in the related legislation. In addition, all new financial agreements include fallback clauses governing the transition period.

Inflation risk

As regards inflation rate risk, the rates established by the Regulator to remunerate Terna S.p.A.'s activities are determined so as to allow coverage of the sector's recognised costs. Such cost components are updated on an annual basis to take into account the impact of inflation.

Exchange rate risk

Exchange rate risk management must be carried out with the aim of defending the company's profitability from the risks of exchange rate fluctuations through continuous market control and constant monitoring of existing exposure. In managing this risk, Terna from time to time selects hedging instruments with structures and durations matching the group's exchange rate exposure. The instruments used by Terna are of limited complexity, highly liquid and easy to price, such as forwards and options. Such contracts have a notional amount and maturity date less than or equal to that of the underlying financial liability, or the expected cash flows, so that any change in the fair value and/or estimated cash flows deriving from a rise or fall in the euro against other currencies is fully offset by a corresponding change in the fair value and/or estimated cash flows of the underlying position.

At 31 December 2025, the group's exposure to the impact of exchange rate risk on its profit or loss is residual and linked to foreign currency cash flows from the subsidiaries, Tamini and Brugg.

Liquidity risk

Liquidity risk is the risk that the Terna group might experience difficulties in discharging its obligations in respect of its financial liabilities and operational cycle. Liquidity risk management seeks to ensure adequate coverage of borrowing requirements by obtaining adequate credit lines and appropriate management of any surplus liquidity. As at 31 December 2025, the Group had short-term credit lines available of approximately 897.2 million euro (out of a total committed amount of approximately 1,223.7 million euro), revolving credit facilities of 4,055.0 million euro (out of a total of 4,305.0 million euro) and an undrawn bank loan of 299.0 million euro. Finally, Terna has a Euro Commercial Paper (ECP) programme, amounting to up to 2,000 million euro, including 1,605.0 million euro still available at 31 December 2025.

Credit risk

Credit risk is the risk that a customer or a counterparty to a financial instrument will cause a financial loss by failing to meet an obligation; it arises primarily from trade receivables, assets arising from contracts with customers, and the group's financial investments.

The credit risk originated by open positions on transactions in financial derivatives is considered to be marginal since, in compliance with financial risk management policies, the counterparties are leading international credit institutions with high ratings.

Terna essentially renders its services to counterparties considered solvent by the market and hence with a high credit standing, and avoids concentrations of credit risk.

Credit risk management is also compliant with Resolution no. 111/06 of the Italian Regulatory Authority for Energy, Networks and the Environment (Autorità di Regolazione per Energia Reti e Ambiente, ARERA), which, at Article 49,

introduced instruments to limit the risks linked to the insolvency of dispatching customers, both on a preventive basis and in the event of actual insolvency. In particular, the Resolution establishes three instruments to safeguard the electricity market: a guarantee system (bank guarantees provided by individual dispatching customers, based on their turnover); the option of terminating dispatching contracts (in the event of insolvency or failure to replace enforced guarantees); and, finally, the possibility of recovering uncollected debts, after having taken all other possible collection actions, through a specific fee to be fixed by ARERA.

The following table summarises the exposure to such risk at the reporting date:

(million of euro)	31/12/2025	31/12/2024	Change (+ / -)
Derivate financial instruments	1.3		1.3
Cash, Securities, and Deposits	2,564.1	2,738.0	(173.9)
Trade receivables	3,190.6	3,194.8	(4.2)
Total	5,756.0	5,932.8	(176.8)

The total amount of credit risk exposure as of 31 December 2025, consists of the carrying value of trade receivables, assets arising from contracts with customers, CFH derivatives, and cash and cash equivalents, securities, and deposits.

Default risk and debt covenants

This risk relates to the possibility that financing agreements or the terms and conditions of bond issues contain provisions entitling counterparties, upon the occurrence of certain events, to request the immediate repayment of the amounts lent, thereby giving rise to liquidity risk. For more information on the contractual provisions of outstanding loans at 31 December 2025, please see the section “Loans and financial liabilities” in the Notes to the financial statements of the Terna group.

Bank guarantees

As at 31 December 2025, bank and insurance guarantees issued to third parties in the interest of companies of the Group amounted to 509.2 million euro, broken down as follows: 60.4 million euro in the interest of Terna S.p.A.; 162 million euro in the interest of Tamini Trasformatori S.r.l.; 118.5 million euro in the interest of Terna Rete Italia S.p.A.; 19.9 million euro in the interest of Terna Interconnector S.r.l.; 69.9 million euro in the interest of the Brugg Group companies; 0.1 million euro in the interest of Terna Plus S.r.l.; 4.3 million euro in the interest of Terna Perù SAC; 0.8 million euro in the interest of Terna Energy Solutions S.r.l.; 0.1 million euro in the interest of Rete S.r.l.; and 73.2 million euro in the interest of the Altemia Group.

ITALGAS GROUP

The main risks subject to analysis and monitoring by the Italgas group are detailed below.

Financial risks

Credit risk

Risk of potential losses arising from the failure of counterparties to fulfil their contractual obligations or from delayed payment of the amounts due.

The rules governing user access to the gas distribution service in Italy are laid down by the competent regulatory authority and are set out in the Network Codes, which are documents that establish, for each type of service, the rules governing the rights and obligations of the parties involved in the service provision process, and set out contractual clauses that reduce the risk of customer default, such as the provision of bank or insurance guarantees on first demand.

Furthermore, within the scope of activities in the energy efficiency sector, credit risk is mitigated by the use of incentive schemes (primarily the Superbonus) – the latter, however, being influenced by the risk of managing the compliance requirements that enable the tax recognition of credits – which guarantee financial coverage for significant portions of the project costs. In this context, the contracts entered into by the group include clauses guaranteeing the possibility of recourse against customers in the event of the inability to obtain or the revocation of the incentive. Recourse against customers, however, implies continued exposure to credit risk.

To monitor and mitigate the potential consequences of this risk, Italgas has implemented various management strategies, including:

- Rules governing users' access to the gas distribution service established by the Regulator and set out in the Network Codes.
- Primary reliability of gas distribution customers as at 31 December 2025:
 - on average in Italy, 98.0% of trade receivables are paid on time, with more than 99.7% settled within the next four days;
 - on average in Greece, 96.9% of trade receivables are paid on time, with almost all settled within the next four days.

Interest rate risk, inflation and deflation risk

Risk of fluctuations in interest rates. Risk that inflation remaining significantly below the group's forecasts for a prolonged period may have adverse effects on the value of the Regulatory Asset Base (RAB) and on expected regulated revenues⁸⁶. Risk of an unexpected increase in the inflation rate.

To monitor and mitigate the potential consequences of this risk, Italgas has implemented various management strategies, including:

- High proportion of fixed-rate financial and bond debt (as at 31 December 2025, gross financial debt was 79.8% at fixed rate and 20.2% at variable rate);
- Diverse mix of external financial resources;
- Monitoring of the main economic and financial indicators.

Liquidity risk

Risk that, due to an inability to obtain new funding (funding liquidity risk) or to liquidate assets in the market (asset liquidity risk), the company may be unable to meet its payment obligations.

Italgas, particularly in light of its current investment plans and the transactions scheduled for the near future, does not anticipate any significant adverse impact on its liquidity risk, given the following: (i) the Company holds cash deposits with leading banks amounting to 531,933 million euro as at 31 December 2025, (ii) on 16 May 2025, Italgas entered into two variable-rate bank loans with leading credit institutions, each for an amount of 300 million euro (total amount of 600 million euro) and with a term of 3 years (iii) on 17 June 2025, Italgas entered into a variable-rate bank loan with a leading credit institution for a total amount of 300 million euro and a term of 3 years; (iv) as at 31 December 2025, Italgas has a Euro Medium Term Notes (EMTN) programme, in addition to and supplementing its recourse to the banking system, which currently allows for the issuance of a remaining nominal amount of 5.0 billion euro to be placed with institutional investors.

Although the Italgas group has relationships with a diverse range of counterparties with high credit ratings, based on a policy of managing and continuously monitoring the credit risk associated with these counterparties, the default of a counterparty or difficulties in liquidating assets on the market could have a negative impact on the Italgas group's operations and financial position.

To monitor and mitigate the potential consequences of this risk, Italgas has implemented various management strategies, including:

- Mitigation actions as described in the risk related to "Interest rate fluctuations, inflation, and deflator"
- Adequate level of cash available in current accounts and time deposits with leading banking institutions
- EMTN programme, in addition to and as a supplement to the banking system, which presently enables the issuance of an outstanding 5.0 billion euro nominal to be allocated to institutional investors.

Credit Rating Risk

Risk of a downgrade of Italgas's credit rating due to a deterioration in its economic and financial indicators or as a consequence of a downgrade of the credit rating of the Italian Republic.

A deterioration in this credit rating could, therefore, restrict access to the capital markets and/or increase the cost of funding, with consequent adverse effects on the group's financial position and results of operations. Based on the methodologies adopted by rating agencies, a one-notch downgrade of the Italian Republic's current rating could trigger a downward adjustment of Italgas's current rating, which in turn could have an impact on the cost of future debt.

To monitor and mitigate the potential consequences of this risk, Italgas has implemented various management strategies, including:

- Mitigation actions as described in the risk related to "Interest rate fluctuations, inflation, and deflator"
- Ongoing dialogue with the Rating Agencies

⁸⁶ An increase in interest rates, which is not reflected – either in full or in part – in the regulatory WACC, could have adverse effects on the Italgas Group's operations and its financial position, results of operations and cash flow, due to the variable component of its existing debt and future borrowings.

Default Risk and Debt Covenants

Risk of non-compliance with financial covenants relating to existing financing arrangements (in some cases only where a breach is not remedied within the prescribed time limits), which could result in an event of default for Italgas and, potentially, lead to the immediate repayment of the related loan. As at 31 December 2025, there are no loan agreements containing financial covenants and/or secured by collateral, with the exception of the EIB loan taken out by Toscana Energia, which requires compliance with certain financial covenants. With regard to EIB loans, the relevant agreements contain a clause stipulating that, in the event of a significant loss of concessions, there is an obligation to notify the EIB, followed by a consultation period, at the end of which early repayment of the loan may be required.

To monitor and mitigate the potential consequences of this risk, Italgas has implemented various management strategies, including:

- Absence of financial covenants and/or security interests in financing agreements (as at 31 December 2025 there are no financing arrangements with such characteristics, with the exception of the European Investment Bank loan subscribed by Toscana Energia, with a total residual nominal amount of 45 million euro, which requires compliance with certain financial covenants);
- Monitoring of compliance with contractual provisions (negative pledge undertakings, pari passu and change-of-control clauses, and restrictions on certain extraordinary transactions that the company and its subsidiaries may undertake) (as at 31 December 2025 such undertakings were complied with).

VII – SHARE-BASED PAYMENTS

SNAM

Long-term Performance Share Plan

At the Snam Shareholders' Meetings held on 18 June 2020 and 4 May 2023, the Shareholders approved the 2020-2022 and 2023-2025 long-term performance share plans, granting the Board of Directors, and by default the Chief Executive Officer on its behalf, with express power of sub-delegation, all powers necessary to implement the Plans.

The incentive Plans are designed to reward senior executives, identified by Snam's Chief Executive Officer, such as Snam's management team and that of its subsidiaries as well as those employees who hold roles with the greatest impact on the achievement of medium-long term business results or with strategic relevance for the achievement of Snam's multi-year objectives. Additionally, the plans are aimed at rewarding any other positions identified, in relation to the performance achieved, the skills possessed or with a view to staff retention. The maximum number of beneficiaries per three-year cycle is 100.

The Plans provide for three allocations of ordinary shares each in the years 2020-2021-2022 and 2023-2024-2025, respectively. Each allocation is subject to a three-year vesting period, in the years 2023-2024-2025 and 2026-2027-2028, respectively, at the end of which the actual allocation of shares, if applicable, takes place, as illustrated in the diagram below.

Award	Performance period	End of vesting period	Share award	Attributed shares (*)
2022	2022-2024	2025	2025	1,032,626
2023	2023-2025	2026	2026	1,272,141
2024	2024-2026	2027	2027	1,633,592
2025	2025-2027	2028	2028	1,443,823

(*) The number of shares refers to the target value (performance = 100) of rights attributed each year

The Board of Directors set the maximum number of shares backing each three-year period of the Plans to 3,500,000.

The 2023-2025 Plan includes free shares granted in variable numbers in relation to the individual assignment and the degree to which the performance targets of the Plan are met. The actual vesting of the Shares assigned is subject to the achievement of specific Performance Targets, which are reviewed for all beneficiaries at the end of each three-year vesting period, and is subject to a timely review by the Appointments and Compensation Committee of the actual achievement of the targets, in support of the resolutions passed in this regard by the Board of Directors.

The Plan's performance targets, are linked to the following parameters:

- Accumulated adjusted net income in the three-year period corresponding to the performance period, with a weighting of 40%;
- value Added generated in the three-year period corresponding to the performance period, with a weighting of 20%;
- Energy Transition Readiness metric, with an overall weighting of 20%, in respect of the following parameters:
 - 1) Kilometres of "H2 ready" network (weighting 10%);
 - 2) installed MW in biomethane projects (weighting 5%);
 - 3) CSS - H2 projects and market design (weighting 5%);
- ESG Metric, with a weighting of 20%, measured through performance against two indicators over a three-year period, aiming to:
 - 4) reduce natural gas emissions over the next three years (weighting 10%);
 - 5) ensure fair representation of the less-represented gender in Snam's management team (10% weight), measured as the percentage of the underrepresented gender among executives and managers relative to the total number of managerial positions within the Snam group.

An additional number of shares, known as a dividend equivalent, is also planned to be granted based on the shares actually allocated at the end of the vesting period. The number of additional shares to be assigned is determined by dividing the sum of the dividends distributed during the vesting period by the average share price recorded in the month preceding the allocation. For the Chief Executive Officer and the other beneficiaries of the Plan, 20% of the granted shares, gross of those necessary to comply with the tax expense, will be subject to a lock-up period.

For further information, please refer to the "Information Document on the 2023–2025 Long-Term Share Incentive Plan", drawn up in accordance with Article 84-bis of the Issuers' Regulations, available on Snam's website.

Consistent with the substantial nature of remuneration, in accordance with International Accounting Standards, the plan's costs are determined by reference to the fair value of the instruments granted and the forecast of the number of shares to be granted at the end of the vesting period; the cost is recognised in proportion to the time over the vesting period.

The costs for 2025, equal to the sum of the number of shares expected to vest at maturity multiplied by their fair value at the grant date, were recognised as a component of labour costs against a corresponding equity reserve and totalled 10 million euro (7 million euro in 2024).

Dispersed Ownership Structure Plan “Noi Snam”

At the Snam Shareholders’ Meeting held on 14 May 2025, the first Dispersed Ownership Structure Plan (PAD), named “Noi Snam,” was approved. The plan aims to strengthen employee engagement and sense of belonging within the group by encouraging their stable participation in the company’s share capital. The first broad-based share ownership plan launched by Snam exceeded expectations, with 55% of the workforce choosing to participate and thereby investing in the company’s future.

The Plan is open to all employees of Snam and its subsidiaries and provides for three annual allocations of ordinary shares for the years 2025 to 2027. In particular, the plan offers the opportunity to purchase Snam shares either with personal financial contributions or by converting part of the Performance-Related Bonus (PdR). Employees taking part in the plan will receive free Matching Shares and, upon their initial subscription to Snam shares, Welcome Shares (granted exclusively to white-collar workers, blue-collar workers, and managers).

A 36-month lock-up period applies to the subscribed and allocated shares, after which the employee will be entitled to receive additional free shares (Loyalty Shares), provided they commit to holding all their shares for a further 36 months following the lock-up period. During the lock-up period, participants retain all rights associated with owning Snam shares, including the right to receive dividends.

The total maximum number of shares allocated to the plan is 27 million for the entire duration of the scheme.

For further information, please refer to the “Information Document on the 2025–2027 Shareholder Base Expansion Plan”, drawn up in accordance with Article 114-bis of Legislative Decree No. 58 of 24 February 1998 (TUF) and Article 84-bis of the Regulations adopted by Consob by Resolution No. 11971 of 14 May 1999, as subsequently supplemented and amended (Issuers’ Regulations), available on the Snam website.

The costs relating to the 2025 financial year were recognised as part of personnel expenses, on a pro rata temporis basis over the vesting period or immediately, in the case of equity instruments that vest entirely on the grant date, with a corresponding entry to equity reserves, and amount in total to 1 million euro.

2025-2029 LONG-TERM PERFORMANCE SHARE PLAN OF TERNA S.P.A.

The Regulations of the new Performance Share Plan 2025-2029 were approved by the Board of Directors on 24 June 2025, implementing the terms set by the Ordinary Shareholders’ Meeting held on 21 May 2025.

This plan involves granting the right to allocate a certain number of Terna S.p.A. shares (performance share) free of charge at the end of the performance period, provided that the performance targets linked to the plan are met.

In line with Terna’s commitment to sustainability and socio-environmental responsibility, the share buyback programme supporting the 2025-2029 Performance Share Plan was completed in September with a total investment of roughly 9 million euro and the purchase of 1,060,499 treasury shares (representing around 0.053% of the share capital). The Program incorporates a framework that ties the company’s progress to achieving ESG goals.

As at 31 December 2025, Terna S.p.A. held a total of 4,294,627 treasury shares (representing 0.214% of the share capital).

The total number of shares held by the Company derives from the aggregate of purchases carried out under six separate treasury share buy-back programmes, respectively serving the following purposes:

- (i) 2020-2023 Performance Share Plan, in the period from 29 June 2020 to 6 August 2020;
- (ii) 2021-2025 Performance Share Plan, in the period from 31 May 2021 to 23 June 2021;
- (iii) 2022-2026 Performance Share Plan, in the period from 27 May 2022 to 9 June 2022;
- (iv) 2023-2027 Performance Share Plan, in the period from 22 June 2023 to 6 July 2023;
- (v) 2024-2028 Performance Share Plan, in the period from 4 September 2024 to 20 September 2024;
- (vi) 2025-2029 Performance Share Plan, in the period from 8 September 2025 to 16 September 2025;

net of: (a) 1,079,860 Treasury shares allocated by the Company between 9 May 2023 and 1 June 2023 to the beneficiaries of the 2020-2023 Performance Share Plan; (b) 1,060,240 Treasury shares allocated by the Company between 10 May 2024 and 3 June 2024 to the beneficiaries of the 2021–2025 Performance Share Plan; and (c) 917,720 Treasury shares allocated by the Company between 21 May 2025 and 3 June 2025 to the beneficiaries of the 2022-2026 Performance Share Plan.

Terna does not hold any additional treasury shares other than those purchased under the above programmes, including through subsidiaries.

Terna has neither owned nor bought or sold, directly or indirectly, shares of CDP Reti S.p.A. or Cassa Depositi e Prestiti S.p.A. during 2025.

LONG-TERM PERFORMANCE SHARE PLAN OF ITALGAS S.P.A.

On 12 February 2025, pursuant to the 2021-2023 Co-investment Plan approved by the Ordinary and Extraordinary Shareholders’ Meeting of 20 April 2021, the Board of Directors resolved to allocate a total of 511,604 new ordinary shares of the Company to the Plan’s beneficiaries (the second cycle of the Plan) and resolved to carry out the second tranche of

the capital increase approved by the aforementioned Meeting, amounting to a nominal 634,388.96 euro, funded from retained earnings.

On 10 April 2025, the Italgas Shareholders' Meeting, held in extraordinary session, approved the proposal for a paid rights issue capital increase, for a maximum total amount of 1.02 billion euro. The share capital increase was finalised successfully in June 2025 with the issue of 202,938,478 new shares. Furthermore, on the same date, the Shareholders' Meeting, in extraordinary session, approved the proposal to increase the share capital free of charge, in one or more tranches, for a maximum nominal amount of 558,000.00 euro, through the allocation pursuant to Article 2349 of the Italian Civil Code of a corresponding maximum amount drawn from retained earnings reserves, with the issuance of no more than 450,000 ordinary shares to be reserved for beneficiaries of the Stock Grant Plan. At its ordinary meeting on 10 April 2025, the Shareholders' Meeting of Italgas S.p.A. approved the 2025–2027 widespread share ownership plan, known as the "IGrant Plan 2025–2027", which provides for the allocation of ordinary shares to Group employees, excluding senior management, using shares arising from two related capital increases pursuant to Article 2349 of the Italian Civil Code. From September 2025, Italgas implemented the transactions provided for in the Broad-Based Shareholding Plan (PAD), approved with the aim of encouraging the direct involvement of group personnel in value creation over the medium to long term. This initiative saw the participation of over 60% of eligible employees; the plan aims to strengthen the alignment between the interests of employees and those of shareholders, and involved the issue of new ordinary shares in October and December through capital increases carried out both as a bonus issue and against payment.

VIII – OPERATING SEGMENTS

This disclosure has been prepared in accordance with IFRS 8 “Operating segments”.

CDP RETI’s mission is to manage its equity investments in Snam, Terna and Italgas as a long-term investor, with the objective of supporting the development of infrastructure for the transmission, regasification, storage and distribution of natural gas, as well as water services, energy efficiency and electricity transmission.

An operating segment is a component of an entity:

- that engages in business activities from which it may earn revenues and incur expenses (including revenues and expenses relating to transactions with other components of the same entity);
- whose operating results are regularly reviewed by the entity’s chief operating decision maker to make decisions about resources to be allocated to the segment and assess its performance; and
- for which discrete financial information is available.

In essence, the sectors in which CDP RETI and its subsidiaries operate can be traced back to:

- gas infrastructure and market solution⁸⁷ of the Snam group;
- gas distribution, water services and energy efficiency activities overseen by companies of the Italgas group;
- electricity dispatching and transmission garrisoned by Terna group companies.

The table below shows the results of the CDP RETI Group’s operating segments at 31 December 2025, together with a reconciliation with the Group’s results.

(million of euro)	2025						2024	
	CDP RETI	SNAM	TERNA	ITALGAS	Intercompany adj.	Other adj.	Group	Group
Revenues from sales and services		3,852	3,951	3,509	(2)		11,310	9,640
Other revenues and income		33	82	79	(1)		193	143
Revenues from financial statement		3,885	4,033	3,588	(3)		11,503	9,783
Reclassifications				(1,053)	2		(1,051)	(798)
Revenues from sectors		3,885	4,033	2,535	(1)		10,452	8,985
Costs from financial statement (not included Depreciation and Amortization)		(3)	(933)	(1,282)	2	(15)	(3,915)	(3,219)
Reclassifications				1,038		1	1,039	796
Costs from sectors (not included Depreciation and Amortization)		(3)	(933)	(1,282)	2	(14)	(2,876)	(2,423)
EBITDA	(3)	2,952	2,751	1,889	1	(14)	7,576	6,562
<i>EBITDA margin</i>	<i>0%</i>	<i>76%</i>	<i>68%</i>	<i>75%</i>	<i>0%</i>	<i>-</i>	<i>72%</i>	<i>73%</i>
Amortisation, depreciation and impairment		(1,139)	(960)	(693)		(240)	(3,032)	(2,689)
Reclassifications			(1)	15		1	15	2
Operating profit (EBIT)	(3)	1,813	1,790	1,211	1	(253)	4,559	3,875
<i>EBIT margin</i>	<i>0%</i>	<i>47%</i>	<i>44%</i>	<i>48%</i>	<i>0%</i>	<i>0%</i>	<i>44%</i>	<i>43%</i>
Financial income	640	194	122	24		(653)	327	450
Borrowing expenses	(76)	(849)	(311)	(258)		1	(1,493)	(1,125)
Portion of income (expenses) from equity investments valued with the equity method		486	7	9		(131)	371	283
Reclassifications								
Taxes for the period	(4)	(392)	(495)	(280)		69	(1,102)	(973)
Profit from discontinued operations								12
Reclassifications								
Net income from sectors	557	1,252	1,113	706		(966)	2,662	2,522

⁸⁷ During the 2025 financial year, Snam defined a new organisational model aimed at strengthening its role as operator of the national gas transmission infrastructure and aligning its organisational structure with the group’s strategic objectives. The new model comprises two business segments: (i) Gas Infrastructure, which includes the core regulated businesses of natural gas transmission, regasification and storage, as well as activities relating to hydrogen (H₂) and Carbon Capture and Storage (CCS); and (ii) Market Solutions, which encompasses the biomethane, energy efficiency and sustainable mobility businesses, providing the market with integrated solutions to support energy integration and decarbonisation.

The balance sheet information analysed by senior management does not refer directly to individual segment activities, but rather to the overall assessment and representation of Shareholders' Equity, Net Financial Debt and Technical Investments.

In accordance with paragraphs 33 and 34 of IFRS 8, the following are presented:

REVENUES AND NON-CURRENT ASSETS BY GEOGRAPHICAL AREA

	31.12.2025			
(million of euro)	Financial Statements	Italy	EU	Extra EU
Revenues from sales and services	11,310	10,501	578	231
Non-current assets	72,090	68,825	2,458	807
Property, plant and equipment	48,282	48,035	25	222
Inventories - compulsory stock	397	397	-	-
Intangible assets	19,386	18,196	1,185	5
Equity investments	3,027	1,374	1,073	580
Other non-current assets	998	823	175	-

	31.12.2024			
(million of euro)	Financial Statements	Italy	EU	Extra EU
Revenues from sales and services	9,640	9,062	369	209
Non-current assets	61,894	58,673	2,294	927
Property, plant and equipment	44,121	43,874	24	223
Inventories – compulsory stock	363	363	-	-
Intangible assets	12,807	11,687	1,117	3
Equity investments	3,169	1,462	1,006	701
Other non-current assets	1,434	1,287	147	-

Breakdown of revenue from customers exceeding the 10% threshold

	31.12.2025		
(million of euro)	Profit & Loss	clients >10%	Other Clients
Revenues from sales and services	11,310	3,373	7,937

	31.12.2024		
(million of euro)	Profit & Loss	clients >10%	Other Clients
Revenues from sales and services	9,640	3,112	6,528

IX – GUARANTEES AND COMMITMENTS

Guarantees and commitments, amounting in total to 18.3 billion euro at 31 December 2025 (19 billion euro at 31 December 2024), are broken down as follows:

Guarantees and commitments: breakdown

(thousands of euro) Items/Figures	31/12/2025	31/12/2024
Guarantees pledged	2,934,414	2,611,792
Trade guarantees	925,940	783,961
Financial guarantees	1,638,200	1,503,725
Assets held as guarantee for third-party services	370,274	324,106
Commitments	12,381,306	11,997,535
Commitments for the purchase of goods and services	12,347,340	11,943,080
Other	33,966	54,455
Risks	3,012,097	4,429,871
For third-party assets held for safekeeping	2,727,322	4,186,482
For damages and claims	284,775	243,389
Total	18,327,817	19,039,198

IX.1 GUARANTEES

Guarantees given, for a total amount of 2,934 million euro, refer to indemnities issued to third parties against sureties and other guarantees issued in the interest of subsidiaries or associates to guarantee the performance of works and in relation to tenders and credit facilities mainly associated with the distribution of natural gas. Financial guarantees provided, amounting to 1,638 million euro, include the following:

- the guarantee provided by Snam primarily in the interest of the associate Trans Adriatic Pipeline (TAP) AG (1,129 million euro) to support the repayment of the outstanding financial debt (so-called “Debt Payment Undertaking”), which would become effective upon the occurrence of specific conditions linked to extraordinary exceptional events;
- guarantees issued by the Terna Group to third parties amount to 509.2 million euro and are allocated as follows: 162.0 million euro in the interest of Tamini Trasformatori S.r.l.; 118.5 million euro in the interest of Terna Rete Italia S.p.A.; 73.2 million euro in the interest of the Altemia Group; 69.9 million euro in the interest of companies belonging to the Brugg Group; 60.4 million euro in the interest of Terna S.p.A.; 19.9 million euro in the interest of Terna Interconnector S.r.l.; 4.3 million euro in the interest of Terna Perú S.A.C.; 0.8 million euro in the interest of Terna Energy Solutions S.r.l.; 0.1 million euro in the interest of Terna Plus S.r.l.; and 0.1 million euro in the interest of Rete S.r.l..

Guarantees provided for the purchase of goods and services include:

- those lent by Snam on behalf of its subsidiaries (699 million euro) and mainly refer to:
 - guarantees granted in favour of the Agenzia delle Entrate [Italian Revenue Agency] primarily in the interest of the subsidiaries Stogit and Snam Energy Terminals (formerly Snam FSRU Italia) (361 million euro), in relation to tax credits used under the VAT group settlement of Snam.
 - guarantees in favour of the Ministry of the Environment and Energy Security (MASE), for the benefit of Snam Rete Gas (126 million euro), to secure advances on the contributions provided by REPowerEU for the construction of gas transportation infrastructure;
 - performance guarantees indemnities issued to third parties (52 million euro);
- those provided by Italgas amounting to 579,645 thousand euro, that refer mainly to suretyship guarantees and other guarantees given on behalf of subsidiaries. Furthermore, it should be noted that, as part of the transaction involving the acquisition of a stake in ERG’s share capital and the disposal of assets, Medea has provided two guarantees totalling €66 million in respect of the loan obtained by ERG in preparation for the transaction.

IX.2 COMMITMENTS

Commitments entered into with suppliers for the purchase of property, plant and equipment and for the provision of services relating to investments in property, plant and equipment and intangible assets under construction amount in total to 12,347 million euro and mainly relate to:

- commitments undertaken by the Snam Group with suppliers for the acquisition of property, plant and equipment and the provision of services relating to investments currently under construction (2,229 million euro); The latter, pursuant to the agreements in force between Snam Energy Terminals S.r.l. (formerly Snam FSRU Italia S.r.l.) and the *Autorità di Sistema Portuale del Mare Adriatico Centro Settentrionale* [North Central Adriatic Sea Port Authority], include 181 million euro allocated to the construction of the Ravenna breakwater required for the protection of the FSRU BW Singapore;

- the purchase commitments undertaken by the Terna group towards suppliers linked to the normal “operating cycle” expected for the 2024-2028 period (8,545.9 million euro);
- commitments undertaken by the Italgas group towards suppliers to purchase property, plant and equipment and for the supply of services for the purchase of property, plant and equipment and intangible assets under construction/development (1,570 million euro). In addition, the outstanding commitments entered into by the Italgas group with contracting authorities for the implementation of investments arising from the award of tenders relating to the gas distribution service amount to approximately 1,182.9 million euro. Furthermore, the Italgas group has entered into commitments with local authorities with which unexpired concessions are in place, including new gasification projects, and concessions awarded pursuant to Legislative Decree No. 164/2000, known as the “Letta Decree”, for over 23.6 million euro. In Greece, Decision E-22/2025, published in the Greek Government’s Official Gazette B’ 2042/28.04.2025, approved the Development Programme of the company Enaon EDA for the natural gas distribution networks in the regions of Attica, Thessaloniki, Thessaly and the rest of Greece for the period 2025–2029, totalling 627.2 million in investments euro. As at 31 December 2025, the remaining investment commitment under the programme amounts to approximately 502 million euro. In accordance with the terms set out in Greek regulations, the process of defining the Development Programme for the period 2026–2030 is currently underway.

Among “Other commitments” (34 million euro), those of the Snam group are reported, mainly relating to the subscription of units in investment funds (27 million euro). These commitments relate in particular to: (a) (i) the residual commitment of Snam S.p.A. to the Clean H2 Infra Fund (HY24) (20 million euro), within the investment programme that the fund intends to implement over a total period of six years from the final closing date (13 December 2023); (ii) commitments to the CDP Corporate Partners I – Energy Tech Compartment (7 million euro), within the investment programme that the fund intends to carry out over a total period of five years from the first closing date (18 May 2022). These funds may be drawn down, either in part or in several instalments, once the fund has identified potential investments that are deemed ‘eligible’ under the fund’s regulations.

IX.3 RISKS

Risks for third-party assets held, amounting to approximately 2,727 million euro (4,186 million euro at 31 December 2024), refer to around 7.51 billion cubic metres of natural gas held at storage facilities by the beneficiaries of the service. This amount was determined by Snam applying the average wholesale procurement cost published by ARERA of 0.36 euro per standard cubic metre (0.55 euro per standard cubic metre as of 31 December 2024) to the quantities of gas deposited.

Risks associated with compensation and claims, totalling 285 million euro (243 million euro as at 31 December 2024), mainly attributable to Italgas group, refer to compensation potentially payable but not probable in relation to ongoing disputes with low probability of verification of the related business risk.

X – DISCLOSURE OF LEASES

X.1 LESSEE

Qualitative disclosures

CDP RETI Group adopted IFRS 16 for the first time by applying the “Modified Retrospective” approach, which allows the cumulative impact of the standard’s application to be recognised on the adoption date, without restating comparative data.

The Group opted to adopt some of the practical expedients and recognition exemptions provided by the standard. In particular:

- exclusion of leases with a total or remaining lease term of 12 months or less;
- exclusion of leases with a low underlying asset value at the date of purchase;
- exclusion of the initial direct costs incurred to measure the right-of-use asset at the date of initial application;
- exclusion of leases of intangible assets (IFRS 16.4).

For further details, please refer to paragraph “1.2 Main items of the consolidated financial statements” in the Notes to the consolidated financial statements.

Quantitative disclosures

Classification by time bands of the payments to be made and reconciliation with the lease liabilities recognised

(thousands of euro)	31/12/2025	31/12/2024 (*)
Time bands	Lease payables	Lease payables
Up to 1 year	73,659	52,966
Between 1 and 2 years	83,322	67,873
Between 2 and 3 years	34,968	13,323
Between 3 and 4 years	28,915	13,177
Between 4 and 5 years	17,102	8,329
Over 5 years	33,558	28,567
Total lease payments to be made	271,524	184,235
Reconciliation with lease liabilities	(5,699)	(2,051)
Unearned finance income (+)	(5,699)	(2,051)
Unguaranteed residual value (+)		
Lease liabilities	265,825	182,184

(*) In order to provide a better comparative presentation, the balance of the item as at 31 December 2024 was restated.

Exceptions to IFRS 16 (short term, low value, etc.) - Classification by time band of the payments to be received

(thousands of euro)	31/12/2025	31/12/2024
Time bands	Lease payments to be made	Lease payments to be made
Up to 1 year	19,831	18,455
Between 1 and 2 years	42,528	40,334
Between 2 and 3 years		
Between 3 and 4 years		
Between 4 and 5 years		
Over 5 years		
Total	62,359	58,789

X.2 LESSOR

Qualitative disclosures

The CDP RETI Group does not have operating leases outstanding for which the related lease payments are recognised in the income statement on a straight-line basis over the term of the agreement.

ANNEXES

ANNEX 1 – SCOPE OF CONSOLIDATION

**ANNEX 2 - DISCLOSURE PURSUANT TO LAW 124 OF 4 AUGUST 2017, ARTICLE 1,
PARAGRAPHS 125-129**

ANNEX 1: SCOPE OF CONSOLIDATION

Company name	Registered office	Share capital (euro)	Investor	% holding	Consolidation method
Parent company					
CDP Reti S.p.A.	Rome	165,971	Cassa depositi e prestiti S.p.A. State Grid Europe Limited Cassa Nazionale di Previdenza e Assistenza Forense Third party partners	59.10% 35.00% 2.63% 3.27%	
Consolidated companies					
AS Gasinfrastruktur Beteiligung GmbH	Wien	35,000	Snam S.p.A.	40.00%	Equity
Acqua Campania S.p.A.	Naple	4,950,000	Italgas Reti S.p.A. Nepta S.p.A.	0.53% 95.70%	Line-by-line
Acqualatina S.p.A.	Latina	23,661,533	Iriolatina S.r.l.	49.00%	Equity
Albanian Gas Service Company Sh.a.	Tirana	875,000	Snam S.p.A.	25.00%	Unconsolidated subsidiary
Altenia S.r.l.	Rome	455,585	Terna Energy Solutions S.r.l.	89.00%	Line-by-line
Arbolis S.r.l. Società Benefit	San Donato Milanese	100,000	Snam S.p.A.	100.00%	Unconsolidated subsidiary
Asset Company 10 S.r.l.	(MI) San Donato Milanese	10,000	Snam S.p.A.	100.00%	Line-by-line
Asset Company 12 S.r.l.	(MI) San Donato Milanese	10,000	Snam S.p.A.	100.00%	Unconsolidated subsidiary
Asset Company 9 S.r.l.	(MI) San Donato Milanese	10,000	Snam S.p.A.	100.00%	Unconsolidated subsidiary
Avvenia the Energy Innovator S.r.l.	(MI)Rome	10,000	Terna Energy Solutions S.r.l.	100.00%	Line-by-line
BYS Ambiente Impianti S.r.l.	San Donato Milanese (MI)	1,000,000	Bioenerys Ambiente S.r.l.	100.00%	Line-by-line
BYS Società Agricola Impianti S.r.l.	Portonone	10,000	Bioenerys Agri S.r.l.	100.00%	Line-by-line
Bioenerys Agri S.r.l.	Portonone	100,000	Bioenerys S.r.l.	100.00%	Line-by-line
Bioenerys Ambiente S.r.l.	San Donato Milanese (MI)	1,710,764	Bioenerys S.r.l.	100.00%	Line-by-line
Bioenerys S.r.l.	San Donato Milanese (MI)	5,000,000	Snam S.p.A.	100.00%	Line-by-line
Biogas Brusco Società Agricola a r.l.	Portonone	10,000	Bioenerys Agri S.r.l.	99.90%	Line-by-line
Blow aste CH4 Legnano	San Donato Milanese (MI)	10,000	Bioenerys Ambiente S.r.l.	100.00%	Line-by-line
Bludigit S.p.A.	Milan	11,000,000	Italgas S.p.A.	100.00%	Line-by-line
Brugg Cables (India) Pvt., Ltd.	Hayana	48,000,000	Brugg Kabel AG Brugg Kabel GmbH	99.74% 0.26%	Line-by-line
Brugg Cables (Shanghai) Co., Ltd.	Shanghai	1,600,000	Brugg Kabel AG	100.00%	Line-by-line
Brugg Cables (Suzhou) Co., Ltd.	Suzhou	32,000,000	Brugg Cables (Shanghai) Co., Ltd.	100.00%	Line-by-line
Brugg Cables Company	Riyadh	50,000	Brugg Kabel AG	100.00%	Line-by-line
Brugg Cables Italia S.r.l.	Milan	10,000	Brugg Kabel Manufacturing AG	100.00%	Line-by-line
Brugg Cables Middles East Contracting LLC	Chicago	200,000	Brugg Kabel AG	100.00%	Line-by-line
Brugg Cables, Inc.	Brugg	50,000	Brugg Kabel AG	100.00%	Line-by-line
Brugg Kabel AG	Brugg	22,000,000	Brugg Kabel Services AG	90.00%	Line-by-line
Brugg Kabel GmbH	Schwieberdingen	103,000	Brugg Kabel AG	100.00%	Line-by-line
Brugg Kabel Manufacturing AG	Brugg	7,000,000	Brugg Kabel Services AG	100.00%	Line-by-line
Brugg Kabel Services AG	Brugg	1,000,000	Terna Energy Solutions S.r.l.	100.00%	Line-by-line
CEESI S.p.A.	Milan	8,550,000	Terna S.p.A.	42.70%	Equity
CGES A.D.	Podgorica	155,108,283	Terna S.p.A.	22.00%	Equity
CH4 Energy S.r.l. CO2	San Donato Milanese (MI)	10,000	Bioenerys Ambiente S.r.l.	100.00%	Line-by-line
ESOSA	Brussels	1,000,000	Terna S.p.A.	15.84%	Equity
Clinto Reti Gas S.r.l. Co	Acquaviva Delle Fonti	4,300,000	Italgas Reti S.p.A.	60.00%	Line-by-line
rsentia Project S.r.l.	Milan	3,000,000	Renovit Public Solutions S.p.A. Società Benefit	100.00%	Line-by-line
Cobgas S.r.l.	San Donato Milanese (MI)	1,000,000	Greenture S.p.A.	100.00%	Line-by-line
ELMED Eudes Sàrl	Tunis	2,016,120	Terna S.p.A.	50.00%	Equity
ESPERA-CC S.r.l.	Rome	10,000	Terna S.p.A.	1.00%	Line-by-line
eVollia S.r.l.	Milan	10,000	Renovit Building Solutions S.p.A. Società Benefit	100.00%	Unconsolidated subsidiary
East Mediterranean Gas Company S.a.e.	Cairo	147,000,000	Snam International B.V.	25.00%	Equity
Ecos S.r.l.	Genoa	10,000	Snam S.p.A.	33.34%	Equity
Enaon Eda S.A.	Athens	580,273,050	Enaon S.A.	100.00%	Line-by-line
Enaon S.A.	Athens	79,709,919	Italgas New co S.p.A.	100.00%	Line-by-line
Energie Rete Gas S.r.l.	Milan	21,568,628	Medea S.p.A.	49.00%	Equity
Energy Investment Solution S.r.l. (in liquidazione)	Milan	100,000	Renovit Business Solutions S.r.l. Società Benefit	40.00%	Equity
EnesiSola S.r.l.	San Donato Milanese (MI)	400,000	Bioenerys Ambiente S.r.l.	100.00%	Line-by-line
Enura S.p.A.	San Donato Milanese (MI)	3,700,000	Snam S.p.A.	55.00%	Line-by-line
Equigy B.V.	Arnhem	50,000	Terna S.p.A.	20.00%	Equity
Gasrule Insurance D.A.C.	Dublin	20,000,000	Snam S.p.A.	100.00%	Line-by-line
Geoside S.p.A.	Casalecchio di Reno	57,089,254	Italgas S.p.A. Toscana Energia S.p.A.	67.22% 32.78%	Line-by-line
Gesam Reti S.p.A.	Lucca	20,626,657	Toscana Energia S.p.A.	42.96%	Equity
Govone Biometano S.r.l.	Portonone	70,000	Bioenerys Agri S.r.l.	100.00%	Line-by-line
Greenture S.p.A.	San Donato Milanese (MI)	2,320,000	Snam S.p.A.	100.00%	Line-by-line
HYPERMETEO S.r.l.	Rome	25,000	Terna Forward S.r.l.	15.40%	Equity
Halfbridge Automation S.r.l.	Rome	10,000	Altenia S.r.l.	70.00%	Line-by-line
IG Rete Dati S.r.l.	Milan	120,000	Bludigit S.p.A.	100.00%	Line-by-line
Iriolatina S.r.l.	Milan	6,902,587	Nepta S.p.A.	100.00%	Line-by-line
Irosicilia S.p.A.	Milan	37,520,000	Nepta S.p.A.	99.37%	Line-by-line
Industrie De Nora S.p.A.	Milan	18,268,204	Asset Company 10 S.r.l.	21.59%	Equity
Infrastruttura Trasporto Gas S.p.A.	San Donato Milanese (MI)	10,000,000	Snam S.p.A.	100.00%	Line-by-line
Interconnector Ltd	London	12,754,690	Snam International B.V.	23.68%	Equity
Interconnector Zeebrugge Terminal B.V.	Brussels	123,946	Snam International B.V.	25.00%	Equity
Italgas New co S.p.A.	Milan	50,000,000	Italgas S.p.A.	90.00%	Line-by-line
Italgas Reti S.p.A.	Turin	252,263,314	Italgas S.p.A.	100.00%	Line-by-line
Italgas S.p.A.	Milan	1,256,122,060	CDP Reti S.p.A. Snam S.p.A.	25.94% 11.40%	Line-by-line
L.A.C. Laboratorio Acqua Campania S.r.l.	Naple	30,000	Acqua Campania S.p.A.	51.00%	Line-by-line
MST S.r.l.	Portonone	800,000	Bioenerys Agri S.r.l.	100.00%	Line-by-line
MZ Biogas società agricola a r.l.	Portonone	119,000	Bioenerys Agri S.r.l.	99.90%	Line-by-line
Maero Energia società agricola a r.l.	Portonone	10,000	Bioenerys Agri S.r.l.	100.00%	Line-by-line
Medea S.p.A.	Sassari	95,500,000	Italgas Reti S.p.A.	51.85%	Line-by-line
Melegnano Energia Ambiente S.p.A.	Melegnano	4,800,000	Italgas Reti S.p.A.	40.00%	Equity
Metano S.Angelo Lodigiano S.p.A.	Sant'Angelo Lodigiano	200,000	Italgas S.p.A.	50.00%	Equity
Moglia Energia Società Agricola ar.l.	Portonone	30,000	Bioenerys Agri S.r.l.	100.00%	Line-by-line
Nepta S.p.A.	Milan	50,000	Snam S.p.A.	100.00%	Line-by-line
New Energy Carbon Capture e Storage S.r.l.	San Donato Milanese (MI)	100,000	Snam S.p.A.	100.00%	Unconsolidated subsidiary
OLT Offshore LNG Toscana S.p.A.	Milan	40,489,544	Snam S.p.A.	49.07%	Equity
RENFV S.r.l.	Milan	20,000	Renovit Business Solutions S.r.l. Società Benefit	100.00%	Unconsolidated subsidiary
RENFV1 S.r.l.	Milan	10,000	Renovit Business Solutions S.r.l. Società Benefit	100.00%	Unconsolidated subsidiary
RENFV10 S.r.l.	Milan	10,000	Renovit Business Solutions S.r.l. Società Benefit	100.00%	Unconsolidated subsidiary
RENFV2 S.r.l.	Milan	10,000	Renovit Business Solutions S.r.l. Società Benefit	100.00%	Unconsolidated subsidiary
RENFV3 S.r.l.	Milan	10,000	Renovit Business Solutions S.r.l. Società Benefit	100.00%	Unconsolidated subsidiary
RENFV4 S.r.l.	Milan	10,000	Renovit Business Solutions S.r.l. Società Benefit	100.00%	Unconsolidated subsidiary
RENFV5 S.r.l.	Milan	10,000	Renovit Business Solutions S.r.l. Società Benefit	100.00%	Unconsolidated subsidiary
RENFV6 S.r.l.	Milan	10,000	Renovit Business Solutions S.r.l. Società Benefit	100.00%	Unconsolidated subsidiary
RENFV7 S.r.l.	Milan	10,000	Renovit Business Solutions S.r.l. Società Benefit	100.00%	Unconsolidated subsidiary
RENFV8 S.r.l.	Milan	10,000	Renovit Business Solutions S.r.l. Società Benefit	100.00%	Unconsolidated subsidiary
RENFV9 S.r.l.	Milan	10,000	Renovit Business Solutions S.r.l. Società Benefit	100.00%	Unconsolidated subsidiary
Renovit Building Solutions S.p.A. Società Benefit	Milan	1,450,000	Renovit S.p.A. Società Benefit	100.00%	Line-by-line
Renovit Business Solutions S.r.l. Società Benefit	Rome	1,000,000	Renovit S.p.A. Società Benefit	100.00%	Line-by-line
Renovit Consorzio Stabile	Milan	150,000	Renovit Public Solutions S.p.A. Società Benefit	33.33%	Unconsolidated subsidiary
			Renovit Building Solutions S.p.A. Società Benefit	33.33%	
			Renovit Business Solutions S.r.l. Società Benefit	33.33%	
Renovit Public Solutions S.p.A. Società Benefit	Milan	200,000	Renovit S.p.A. Società Benefit	100.00%	Line-by-line
Renovit S.p.A. Società Benefit	San Donato Milanese (MI)	4,375,000	Snam S.p.A.	60.05%	Line-by-line
Rete 2 S.r.l.	Rome	10,000	Snam S.p.A.	100.00%	Line-by-line
Rete S.r.l.	Rome	387,267,082	Terna S.p.A.	100.00%	Line-by-line

Company name	Registered office	Share capital (euro)	Investor	% holding	Consolidation method
SNAM RETE GAS S.p.A.	San Donato Milanese (MI)	1,200,000,000	Snam S.p.A.	100.00%	Line-by-line
Snam S.p.A.	San Donato Milanese (MI)	2,735,670,476	CDP Reti S.p.A.	31.35%	Line-by-line
STE Energy S.r.l.	Rome	2,000,000	Altenia S.r.l.	100.00%	Line-by-line
Seacorridor S.r.l.	San Donato Milanese (MI)	100,000,000	Snam S.p.A.	49.90%	Equity
Serfluga energy infrastructure holdings S.A.	Athens	20,125,050	Snam S.p.A.	54.00%	Equity
Servizi Energetici IG S.r.l.	Milan	10,000	Italgas Reti S.p.A.	60.00%	Equity
Sicilacqua S.p.A.	Palermo	20,400,000	Idrosicilia S.p.A.	75.00%	Equity
Snam Energy Terminals S.r.l.	San Donato Milanese (MI)	10,000	Snam S.p.A.	100.00%	Line-by-line
Snam Gas & Energy Services (Beijing) Co. Ltd.	Pechino	15,493,800 (k)	Snam International B.V.	100.00%	Unconsolidated subsidiary
Snam International B.V.	Amsterdam	6,626,800	Snam S.p.A.	100.00%	Line-by-line
Snam energy services private limited	New Delhi	1,000,000 (g)	Snam S.p.A.	0.00%	Unconsolidated subsidiary
			Snam International B.V.	100.00%	
Società Agricola Agrimetano Pozzonovo S.r.l.	Pordenone	10,000	Bioenerys Agri S.r.l.	100.00%	Line-by-line
Società Agricola Agrimetano Ro S.r.l.	Pordenone	10,000	Bioenerys Agri S.r.l.	100.00%	Line-by-line
Società Agricola G.B.E. Gruppo Bio Energie S.r.l.	Pordenone	20,000	Società Agricola Sangiovanni S.r.l.	100.00%	Line-by-line
Società Agricola La Valle Green Energy S.r.l.	Pordenone	10,000	Bioenerys Agri S.r.l.	100.00%	Line-by-line
Società Agricola SQ Energy S.r.l.	Pordenone	100,000	Bioenerys Agri S.r.l.	100.00%	Line-by-line
Società Agricola Sangiovanni S.r.l.	Pordenone	20,000	Bioenerys Agri S.r.l.	50.00%	Line-by-line
			Società Agricola SQ Energy S.r.l.	50.00%	
Società Agricola T4 Energy S.r.l.	Pordenone	200,000	Bioenerys Agri S.r.l.	100.00%	Line-by-line
Società Agricola Zoppola Biogas S.r.l.	Pordenone	10,000	Bioenerys Agri S.r.l.	100.00%	Line-by-line
Southeast Electricity Network Coordination Center S.A.	Salonico	6,210,000	Terna S.p.A.	33.00%	Equity
Stogit Adriatica S.p.A.	San Donato Milanese (MI)	90,000,000	Stogit S.p.A.	100.00%	Line-by-line
Stogit S.p.A.	San Donato Milanese (MI)	152,205,500	Snam S.p.A.	100.00%	Line-by-line
T-Lux S.r.l.	Fiancogno (BS)	50,000	Renovit Public Solutions S.p.A. Società Benefit	100.00%	Line-by-line
TAG GrbH	Wien	76,566	Snam S.p.A.	84.47%	Equity
TERNA Crna Gora d.o.o.	Podgorica	208,000,000	Terna S.p.A.	100.00%	Line-by-line
Tamini Trasformatori India Private limited	Magarpatta City, Hadapsar, Pune	13,175,000 (g)	Tamini Trasformatori S.r.l.	100.00%	Line-by-line
Tamini Transformers USA L.L.C.	Sew ickley	52,089 (f)	Tamini Trasformatori S.r.l.	100.00%	Line-by-line
Tamini Trasformatori S.r.l.	Legnano (MI)	4,285,714	Terna Energy Solutions S.r.l.	100.00%	Line-by-line
Terega Holding S.A.S.	Pau	505,869,374	Snam S.p.A.	40.50%	Equity
Terminale GNL Adriatico S.r.l.	Milan	200,000,000	Snam S.p.A.	30.00%	Equity
Terna 4 Chacas S.A.C.	Lima	13,734,560 (e)	Rete S.r.l.	0.01%	Line-by-line
			Terna Plus S.r.l.	99.99%	
Terna Energy Solutions S.r.l.	Rome	2,000,000	Terna S.p.A.	100.00%	Line-by-line
Terna Forward S.r.l.	Rome	10,000	Terna S.p.A.	100.00%	Line-by-line
Terna Interconnector S.r.l.	Rome	10,000	Terna Rete Italia S.p.A.	5.00%	Line-by-line
			Terna S.p.A.	65.00%	
Terna Peru S.A.C.	Lima	116,813,900 (e)	Terna Plus S.r.l.	99.99%	Line-by-line
			Rete S.r.l.	0.01%	
Terna Plus S.r.l.	Rome	16,050,000	Terna S.p.A.	100.00%	Line-by-line
Terna Rete Italia S.p.A.	Rome	300,000	Terna S.p.A.	100.00%	Line-by-line
Terna S.p.A.	Rome	442,198,240	CDP Reti S.p.A.	29.85%	Line-by-line
Terna USA LLC	New York	10,001 (f)	Terna Plus S.r.l.	100.00%	Line-by-line
Toscana Energia S.p.A.	Florence	146,214,387	Italgas S.p.A.	50.74%	Line-by-line
Trans Adriatic Pipeline AG	Baar	800,000,004	Snam International B.V.	20.00%	Equity
Umbria Distribuzione GAS S.p.A.	Terni	2,120,000	Italgas S.p.A.	45.00%	Equity
Wesii S.r.l.	Chiavari	29,536	Terna Forward S.r.l.	33.00%	Equity
Zena Project S.p.A.	Carpi (MO)	10,000,000	Renovit Public Solutions S.p.A. Società Benefit	35.93%	Equity
Zibello Agroenergie Società Agricola S.r.l.	Pordenone	60,000	Bioenerys Agri S.r.l.	100.00%	Line-by-line
dCarbonX Ltd	London	4 (a)	Snam International B.V.	52.98%	Equity

(a) values in GBP

(b) values in Uruguayan Pesos

(c) values in Chilean Peso

(d) values in Real

(e) values in Nuovo Sol

(f) values in Dollar

(g) values in Indian Rupees

(h) values in Tunisian Dinar

(i) values in Albanian ALL

(j) values in Argentine Pesos

(k) values in Renminbi Chinese

(l) values in Swiss Francs

(m) values in Dirham

(n) values in Lev

(o) values in Saudi Riyal

ANNEX 2: DISCLOSURE PURSUANT TO LAW 124 OF 4 AUGUST 2017, ARTICLE 1, PARAGRAPHS 125-129

This section is dedicated to the fulfilment of the disclosure obligations introduced, starting from 2018, by Law no. 124 of 4 August 2017, whose rules have been reformulated by Article 35 of Decree-Law no. 34 of 30 April 2019, relating to the disclosure obligations connected to public funds, and amended for updates last introduced with Law 160 of 2023.

The reformulation of the original regulatory provisions clarified some significant interpretation issues raised by the previous formulation, confirming the interpretation guidance shared during the first application of the disclosure obligations, and contained in Assonime circular no. 5 of 22 February 2019 regarding “Transparency in the system of public funding: analysis of the rules and interpretation guidance”.

According to the contents of Article 35 of Decree no. 34/2019:

- companies publish in the notes to the separate financial statements and to the consolidated financial statements, if any, the amounts and information relating to subsidies, subventions, benefits, contributions or aid, paid in cash or in kind, not of a general nature and with no consideration, remuneration or compensation, effectively granted to them by government agencies and from companies controlled, directly or indirectly, on a legal or de facto basis, by government agencies, including listed companies and their subsidiaries;
- the publication obligations established for government agencies by Article 26 of Legislative Decree no. 33 of 2013 apply also to entities and companies controlled, directly or indirectly, on a legal or de facto basis by government agencies, with the publication in the notes to their annual accounting reports.

As a result of the updates introduced with Law 160 of 2023, for State aid and de minimis aid contained in the National State Aid Register referred to in Article 52 of Law no. 234 of 24 December 2012, the registration of aid in the aforementioned system, with consequent publication in the transparency section provided for therein, by the entities granting or managing the same aid in accordance with the relevant regulations, replaces the publication obligations of the beneficiary companies envisaged by Law no. 124 of 4 August 2017, as the provision that the existence of aid subject to publication in the National State Aid Register must be declared in the notes to the financial statements has been eliminated.

The disclosure obligations established by Law no. 124 of 2017, in continuity with what was represented during the first application, are thus limited to transactions that provide the beneficiary a direct or indirect economic benefit through the provision of incentives or concessions that have the effect of providing relief, savings or the acquisition of resources, and that are in the nature of gifts or donations.

The disbursements, unless otherwise specified, are recognised on a cash basis. With reference to any disbursements not in cash, the cash criterion is understood in a substantial sense, allocating the economic benefit to the financial year in which it is received.

In accordance with the guidance provided by the Assonime circular no. 5/2019, the information provided in application of Law 124/2017 is provided in table form, indicating:

- the identification details of the granting entity and the beneficiary;
- the amount of the economic benefit awarded or received;
- a brief description of the type of benefit (reason for payment).

The tables below show the public funding received and disbursed in 2024 by the fully-consolidated subsidiaries of the CDP RETI Group basis that fall within the subjective scope of the law in question, as presented in their respective separate or sub-consolidated financial statements.

Public payments received pursuant to art.1 c.125 Law no.124/2017

Beneficiary	Licensor				Type of transaction	Amount €/thousand
	Name/Company name	Fiscal code	VAT number			
CILENTO RETI GAS S.r.l.	MORIGERATI	84001730658	3548800659		Investment grant (*)	12
CILENTO RETI GAS S.r.l.	TORTORELLA	84001490659	2441730658		Investment grant (*)	10
CILENTO RETI GAS S.r.l.	SAN GIOVANNI A PIRO	84001430655	2745400651		Investment grant (*)	860
CILENTO RETI GAS S.r.l.	ROCCAGLIORIOSA	84001770654	891180655		Investment grant (*)	121
CILENTO RETI GAS S.r.l.	CASELLE IN PITTARI	84001470651	775940653		Investment grant (*)	42
CILENTO RETI GAS S.r.l.	CASALETTO SPARTANO	84001470651	775920655		Investment grant (*)	279
CILENTO RETI GAS S.r.l.	CAMEROTA	84001750656	1534590656		Investment grant (*)	351
ITALGAS RETI S.p.A.	PROGIDA	634830632	634830632		Investment grant (*)	2,339
ITALGAS RETI S.p.A.	AUTORITÀ DI REGOLAZIONE PER ENERGIA RETI E AMBIENTE	97190020152	97190020152		P2G Sestu	157
ITALGAS RETI S.p.A.	MINISTERO DELL'ISTRUZIONE E DEL MERITO	80185250588	80185250588		Progetto NIMBUS	2,996
MEDEA S.p.A.	BACINO 26	80016870927	1034550929		Investment grant (*)	4
MEDEA S.p.A.	PORTO TORRES	252040902	252040902		Investment grant (*)	1,453
MEDEA S.p.A.	ORUNE	161070917	161070917		Investment grant (*)	1,136
Cubogas Srl	Centro Nazionale Mobilità Sostenibile	97924630151	13720410961		(**)	480
Emiliana Agroenergia (now merged into BY5 Agricola Impianti)	GSE	05754381001	05754381001		Conversion of biogas plants'	1,905
Fondazione Snam	Dipartimento per le politiche di coesione della Presidenza del Consiglio dei ministri (già di orientamento all'interno di 3 scuole di Milano Sud Agenzia per la coesione territoriale)	80249550585	80249550585		Structured socio-educational initiatives to combat educational poverty in Southern Italy, in support of the third sector in local schools in the municipality of Bani	11
Fondazione Snam	Dipartimento per le politiche di coesione della Presidenza del Consiglio dei ministri (già di orientamento all'interno di 3 scuole di Milano Sud Agenzia per la coesione territoriale)	80249550585	80249550585		A project implemented in partnership with third-sector organizations and schools, aimed at combating educational poverty through the establishment of educational centers, STEM training workshops, and related services	24
Greenture Spa	Centro Nazionale Mobilità Sostenibile	97924630151	13720410961		(**)	101
Snam Rete Gas Spa	Ministero dell'Ambiente e della Sicurezza Energetica	97047140583	97047140583		As part of the supplementary chapter to the PNRR (REPowerEU), the project involves the construction of a compressor station in Sulmona and a gas pipeline connecting the hubs at Sestine (AR) and Minerbio (BO) along the Adriatic coast. The funds received in 2025 for the construction of the Sestino-Minerbio gas pipeline were disbursed following the submission of the first reimbursement request.	121,138
Snam Rete Gas Spa	ARERA	97190020152	97190020152		Methane Detection System: installation of an IoT (Internet of Things) sensor in the booster and compression stations to detect and quantify natural gas leaks. The amount received in 2025 corresponds to the second progress payment made during construction.	327
Società Agricola Carignano (now merged into BY5 Agricola Impianti)	GSE	05754381001	05754381001		Conversion of biogas plants'	1,935
Altenia S.r.l.	FONDIMPRESA	97278470584	97278470584		Liberality	20
TAMINI TRASFORMATORI SRL	FONDIMPRESA	97278470584	97278470584		Liberality	36
TERNA SPA	Ministero delle Imprese e del Made in Italy	80230390587	80230390587		State Aid	3,416
TERNA SPA	Regione Siciliana	80230390587	80230390587		State Aid	192
TERNA SPA	Ministero delle Imprese e del Made in Italy	80230390587	80230390587		State Aid	5,811

(*) R.L. 3 APRIL 1995, N. 25 and - REGIONAL LAW 27.12.2001, N. 84

(**) Development of Italy's first hydrogen (H2) demonstration platform, where engine and vehicle technologies operate in close collaboration with the energy sector

Public grants pursuant to art.1 c.126 Law no.124/2017

Beneficiary	Beneficiary				Type of transaction	Amount €/thousand
	Name/Company name	Fiscal code	VAT number			
TERNA SPA	Politecnico di Torino	518460019	518460019		Donation to support the establishment of the Level II Master's Degree Program in "Artificial Intelligence"	20
TERNA SPA	SOCIETA' BOTANICA ITALIANA ONLUS	464940485	464940485		Tiny Forest 2025 Project	56
TERNA SPA	Fondazione Terna	96603750587	96603750587		Terna Foundation Grant	800
TERNA SPA	ARNAS (Azienda di Rilievo Nazionale ed Alta Specializzazione)	2315520920	2315520920		Donation for the intensive care unit at ARNAS G. Brotzu in Sardinia, as part of the "Joint Stars of Charity 2025" project	20
TERNA SPA	Fondazione Accademia Nazionale S. Cecilia	5662271005	5662271005		Renewal of Terna's membership as a Founding Member	160
TERNA SPA	Fondazione Intercultura Onlus	91016300526	91016300526		Scholarships for the sons and daughters of Terna employees for study abroad programs in 2024	55
TERNA SPA	FONDAZIONE TEATRO DELL'OPERA DI ROMA	896251006	896251006		A cultural partnership to support the performing arts season and initiatives promoting inclusion and music education.	100
TERNA SPA	COMUNE DI LAMPEDUSA E LINOSA	2146780842	2146780842		Support for the project "The Island, Youth, and the Future," aimed at promoting youth participation, inclusion, and social cohesion through cultural, athletic, and civic activities for local youth.	30
TERNA SPA	Fondazione Intercultura Onlus	91016300526	91016300526		Scholarships for the sons and daughters of Terna employees	45
TERNA SPA	Fondazione Istituto Tecnologico Superiore per Energia Ambiente ed edilizia sostenibile	94628870159	94628870159		Scholarship Support for the ITS Program in Networks, Facilities, and Systems	40
TERNA SPA	POLITECNICO DI MILANO	4376620151	4376620151		Participation in the GIRLS@POLIMI project: scholarships for equal opportunity	72
TERNA SPA	Associazione FUKYO O.d.V.	97727100584	97727100584		Support for study abroad programs and multicultural exchange for children	36

REPORT OF THE INDEPENDENT AUDITORS



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INDEPENDENT AUDITOR'S REPORT PURSUANT TO ARTICLE 14 OF LEGISLATIVE DECREE No. 39 OF JANUARY 27, 2010 AND ARTICLE 10 OF THE EU REGULATION 537/2014

To the Shareholders of
CDP RETI S.p.A.

REPORT ON THE AUDIT OF THE CONSOLIDATED FINANCIAL STATEMENTS

Opinion

We have audited the consolidated financial statements of CDP RETI S.p.A. and its subsidiaries (the "Group"), which comprise the consolidated balance sheet as at December 31, 2025, the consolidated income statement, the consolidated statement of comprehensive income, the statement of changes in consolidated equity and the consolidated statement of cash flows for the year then ended and the notes to the consolidated financial statements, including material accounting policy information.

In our opinion, the accompanying consolidated financial statements give a true and fair view of the consolidated financial position of the Group as at December 31, 2025, and of its consolidated financial performance and its consolidated cash flows for the year then ended in accordance with IFRS Accounting Standards as issued by the International Accounting Standards Board and adopted by the European Union and the requirements of national regulations issued pursuant to art. 9 of Italian Legislative Decree no. 38/05.

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISA Italia). Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Consolidated Financial Statements* section of our report. We are independent of CDP 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

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Investments for the operation of infrastructures and for service concession agreements

Description of the key audit matter

The consolidated balance sheet of the CDP RETI Group as at and for the year ended 31 December 2025 presents “property, plant and equipment” for a value of 48,282 million euro and “intangible assets” for a value of 19,386 million euro. The items mainly include infrastructure investments made by the Group companies which operate in regulated sectors, in particular: (i) from TERNA group, with regards to the operation and development of the Italian national transmission grid (NTG) for high and extra-high voltage power; (ii) from SNAM group with regards to natural gas transportation, storage and regasification of natural gas; and (iii) from ITALGAS group with regards to the development and maintenance of infrastructures related to the natural gas distribution and metering service under concession located in Italy and Greece. Investments made in the financial year relating to these sectors totaled euro 7,606 million.

The sectors in which the Group's companies are regulated by the Italian Regulatory Authority for Energy, Networks and Environment (Autorità di Regolazione per Energia Reti e Ambiente, “ARERA”) and the Greek Regulatory Authority for Energy Waste and Water (RAEWW) (exclusively with regards to the infrastructures related to natural gas distribution and metering service under concession located in Greece) which define, among the others, the rules for the remuneration of the related services. In particular, the Group's regulated revenues are determined by ARERA and RAEWW and provide for recognition of a predefined return on the net invested capital recognized for regulatory purposes (RAB – Regulatory Asset Base), of the relative depreciation and of some operating expenses. The RAB value is determined by ARERA and RAEWW mainly through the “revalued historical cost” and “historical cost” methods, respectively.

We believe that infrastructure investments carried out by Group companies operating in regulated sectors represent a key audit matter for the Group's consolidated financial statements as at December 31, 2025 due to (i) the relevance of the tangible and intangible assets related to these infrastructure investments, compared to the Group's total assets, (ii) the relevance of the investments made during the year, and (iii) their impact in determining the remuneration of services related to these sectors.

Paragraph I.2 and notes 1 and 3 of paragraph II of the consolidated financial statements describe the accounting policies applied by the Group and the changes for the year.

Audit procedures performed

Our audit procedures concerning investments for operation and development of infrastructures and for service concession agreements included for the Group companies, among others, the following:

- understand the processes and the relevant controls referred to the recognition of such investments in the financial statements and assessment of operating effectiveness of these controls;
- critical analysis of the “property, plant and equipment” and “intangible assets” captions, included the analysis of any unusual item;
- test the accurate start of depreciation when the asset is available for use, for a sample of projects included in tangible and intangible assets with depreciation starting date in the year, and analysis of the aging of projects included in the assets 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 capitalization and disposal criteria provided by accounting standards;
- assessment of the consistency between the useful life used for the depreciation of the assets and their regulatory useful life and reperforming procedures of the period depreciation.

Finally, we assessed the adequacy of the disclosures provided in the notes to the consolidated financial statements and its compliance with the relevant 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 the requirements of national regulations issued pursuant to art. 9 of Italian Legislative Decree no. 38/05, and, within the terms established by law, for such internal control as the Directors determine is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, the Directors are responsible for assessing the Group’s ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless they have identified the existence of the conditions for the liquidation of the Company or the termination of the business or have no realistic alternatives to such choices.

The Board of Statutory Auditors is responsible for overseeing, within the terms established by law, the Group’s financial reporting process.

Auditor's Responsibilities for the Audit of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with International Standards on Auditing (ISA Italia) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of an audit in accordance with International Standards on Auditing (ISA Italia), we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Directors.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- 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 CDP RETI S.p.A. has appointed us on May 10, 2019 as auditors of the Company for the years from December 31, 2020 to December 31, 2028.

We declare that we have not provided prohibited non-audit services referred to in art. 5 (1) of EU Regulation 537/2014 and that we have remained independent of the Company in conducting the audit.

We confirm that the opinion on the financial statements expressed in this report is consistent with the additional report to the Board of Statutory Auditors, in its role of Audit Committee, referred to in art. 11 of the said Regulation.

REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

Opinion pursuant to art. 14 paragraph 2 (e) of Legislative Decree 39/10 and art. 123-bis, paragraph 4, of Legislative Decree 58/98

The Directors of CDP RETI S.p.A. are responsible for the preparation of the report on operations and the information pursuant to art. 123-bis, paragraph 2 (b), of Legislative Decree 58/98 contained in the section related to the report on corporate governance and ownership structure of CDP RETI Group as at December 31, 2025, including their consistency with the related consolidated financial statements and their compliance with the law.

We have carried out the procedures set forth in the Auditing Standard (SA Italia) n. 720B in order to:

- express an opinion on the consistency of the report on operations and of some specific information contained in the section related to the report on corporate governance and ownership structure set forth in art. 123-bis, paragraph 4, of Legislative Decree 58/98 with the consolidated financial statements of CDP RETI Group;

- express an opinion on the compliance with the law of the report on operations and of some specific information contained in the section related to the report on corporate governance and ownership structure set forth in art. 123-bis, paragraph 4, of Legislative Decree 58/98;
- make a statement about any material misstatement in the report on operations and of some specific information contained in the section related to the report on corporate governance and ownership structure set forth in art. 123-bis, paragraph 4, of Legislative Decree 58/98.

In our opinion, the report on operations and the information pursuant to art. 123-bis, paragraph 2 (b), of Legislative Decree 58/98 contained in the section related to the report on corporate governance and ownership structure are consistent with the consolidated financial statements of CDP RETI Group as at December 31, 2025.

In addition, in our opinion, the report on operations and the information pursuant to art. 123-bis, paragraph 2 (b), of Legislative Decree 58/98 contained in the section related to the report on corporate governance and ownership structure are prepared in accordance with the law.

With reference to the statement referred to in art. 14, paragraph 2, sub-paragraph e-ter), of Legislative Decree 39/10, made on the basis of the knowledge and understanding of the entity and of the related context acquired during the audit, we have nothing to report.

DELOITTE & TOUCHE S.p.A.

Signed by
Enrico Pietrarelli
Partner

Rome, Italy
April 24, 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.

CERTIFICATION OF THE CONSOLIDATED FINANCIAL STATEMENTS

pursuant to Article 154 bis of Legislative Decree 58/1998 and to article 81-ter of CONSOB Regulation 11971/1999

1. The undersigned Dario Scannapieco, in his capacity as Chief Executive Officer, and Alessandro Uggias, in his capacity as Financial Reporting Manager of CDP RETI S.p.A., hereby certify, taking into account the provisions of article 154-bis, paragraphs 3 and 4, of Legislative Decree no. 58 of 24 February 1998:
 - the appropriateness with respect to the characteristics of the company; and
 - the actual application of the administrative and accounting procedures for the preparation of the consolidated financial statements during 2025.
2. The assessment of the appropriateness of the administrative and accounting procedures adopted in preparing the consolidated financial statements at 31 December 2025 was based on a process developed by CDP RETI S.p.A. in line with the Internal Control - Integrated Framework model issued by the Committee of Sponsoring Organisations of the Treadway Commission, which is a generally accepted framework at international level.
3. In addition, it is hereby certified that:
 - 3.1 the Consolidated Financial Statements at 31 December 2025:
 - have been prepared in compliance with the applicable international accounting standards endorsed by the European Union pursuant to Regulation (EC) no. 1606/2002 of the European Parliament and of the Council of 19 July 2002;
 - correspond to the information in the books and other accounting records;
 - give a true and fair view of the performance and financial position of the issuer and of the companies included in the scope of consolidation.
 - 3.2 the Report on Operations contains a reliable analysis of operations and performance, as well as the situation of the issuer and of the companies included in the scope of consolidation, together with a description of the main risks and uncertainties to which they are exposed.

Rome, 24 April 2026

Chief Executive Officer

Dario Scannapieco

Financial Reporting Manager

Alessandro Uggias

3 REPORT ON OPERATIONS OF CDP RETI S.P.A.



- 1. Operating performance of CDP RETI S.p.A.*
- 2. Report on corporate governance
and ownership structure of CDP RETI S.p.A.*

1. OPERATING PERFORMANCE OF CDP RETI S.P.A.

1.1 KEY MANAGEMENT FIGURES

Key Management Figures

Key financial figures

Items		31/12/2025	31/12/2024
Dividends	(thousand of euros)	634,224	581,424
- of which SNAM	(thousand of euros)	310,945	300,724
- of which TERNA	(thousand of euros)	237,720	206,520
- of which ITALGAS (1)	(thousand of euros)	85,560	74,180
Pofit (loss) on operations (2)	(thousand of euros)	(74,119)	(39,359)
Net income (loss)	(thousand of euros)	556,595	539,383
Comprehensive income	(thousand of euros)	559,801	512,599

Key balance sheet and cash flow figures

Items		31/12/2025	31/12/2024
Equity investments carrying amount	(thousand of euros)	5,287,858	5,023,065
- of which SNAM	(thousand of euros)	3,086,833	3,086,833
- of which TERNA	(thousand of euros)	1,315,200	1,315,200
- of which ITALGAS	(thousand of euros)	885,825	621,032
Receivables for dividends not yet collected	(thousand of euros)	127,286	122,439
Equity	(thousand of euros)	3,802,092	3,547,693
Net financial debt (2)	(thousand of euros)	(1,612,630)	(1,593,539)

Other key figures and ratios

Items		31/12/2025	31/12/2024
Equity investments market value (2) (3)	(thousand of euros)	13,876,858	10,220,523
Dividends collected	(thousand of euros)	629,377	577,841
Dividends distributed	(thousand of euros)	571,332	531,360
Dividend per share	euros	83.83	3,339.54
	<i>Interim</i>	euros	59.32
	<i>Final</i>	euros	24.51
Net cash flow for the period	(thousand of euros)	(12,357)	(20,646)
ROE (2)	(%)	15%	15%
Dividends/Borrowing expenses (2)	(numbers)	8.29	6.01
Net financial debt/Equity investments carrying amount (2)	(%)	30%	32%
Net financial debt/Equity (2)	(numbers)	0.42	0.45
Net financial debt/Dividends (2)	(numbers)	2.54	2.74

(1) Company established on 1 June 2016 and previously called ITG Holding S.p.A. (as of 7 November 2016 renamed Italgas S.p.A.)

(2) NON GAAP ratios. Borrowing expenses, when calculated net of the effects related to IRS hedging derivatives, are 75 million for 2025 (46 million for 2024). In this case, the Ratio would be 8.43 for 2025 and 12.69 for 2024.

(3) Product of the number of CDP RETI shares for the official price per share at the end of the period by Snam, Terna and Italgas

(*) In the first half of 2025, a preliminary 1:40 share split of the existing shares was carried out in preparation for the subsequent capital increase of CDP RETI.

Further information is provided in the section "Significant events during the year by sector/company".

1.2 INCOME STATEMENT RESULTS

To facilitate the interpretation of the income statement, and taking into account the nature of CDP RETI S.p.A. as an investment vehicle, a reclassified income statement has been prepared in which the items relating to financial management are presented first, as they represent the most relevant income component⁸⁸.

The income statement results of CDP RETI S.p.A. for 2025, compared with the previous year, are summarised in the management Income statement reported below.

Reclassified Income Statement CDP RETI S.p.A.

(thousand of euros)

Items	31/12/2025	31/12/2024
Dividends	634,224	581,424
Pofit (loss) on core business	634,224	581,424
Financial income and expenses	(70,624)	(36,215)
Depreciation	(38)	(47)
Administrative expenses	(3,457)	(3,097)
Pofit (loss) on operations	(74,119)	(39,359)
Other revenues and income	18	18
Operating income	560,123	542,083
Income taxes	(3,528)	(2,700)
NET INCOME (LOSS)	556,595	539,383

The main positive components of CDP RETI's income are related to the **dividends accruing** from Snam, Terna and Italgas, totalling 634 million euro, up from 2024 (+52.8 million euro, +9.1%) due to the dividend policy (in terms of dividend per share) of Snam (+10.2 million euro), Terna (+31.2 million euro) and Italgas (+11.4 million euro).

More in detail, this item consists of dividends received from:

- **Snam:** equal to 310.9 million euro (50% of total dividends) – 300.7 million euro in 2024 – of which (i) 183.7 million euro (collected in June 2025) and relating to the 2024 final dividend and (ii) 127.2 million euro (collected on 21 January 2026) as 2025 interim dividend (approved by the Board of Directors of Snam S.p.A.⁸⁹);
- **Terna:** equal to 237.7 million euro (37% of total dividends) – 206.5 million euro in 2024 – of which (i) 166.2 million euro (collected in June 2025) and relating to the 2024 final dividend and (ii) around 71.5 million euro (collected on 26 November 2025) as 2025 interim dividend (approved by the Board of Directors of Terna S.p.A.⁹⁰);
- **Italgas:** equal to 85.6 million euro (13% of total dividends) – 74.2 million euro in 2024 – collected in May 2025 and relating to the 2024 dividend.

Among the other components of the income statement, net **financial income and expenses** amounted to negative 71 million euro (negative 36 million euro in 2024), relating mainly to

- interest expenses (i) on: the 2022 bond (30 million euro), (ii) on the 2024 bond (24 million euro), and (iii) on the Term Loan entered into in November 2024 (21 million euro, including the adjustment of interest related to swap transactions).
- interest income amounted to 5 million euro, relating to interest accrued on the cash held in the irregular deposit with the parent company CDP⁹¹, representing a decrease compared with 2024 (10 million euro).

The increase in net financial expenses compared with the reference period is mainly attributable to:

- lower interest income on the irregular deposit (–5 million euro) and the absence of the positive effects (totalling 13 million euro, before tax) that had affected the 2024 financial year in connection with the overall refinancing of the loans entered into in May 2020 and May 2023, carried out through the issuance of a bond and the signing of a new Term Loan facility;
- the increase is also attributable to the higher incidence of financial expenses generated during the 2025 financial year by the composition of debt, reflecting the interest rate environment prevailing at the time of the bond issue in September 2024 and the signing of the Term Loan in November 2024.

Administrative expenses mainly reflect the fees paid to the parent company and third-party suppliers for services received during the period, as well as personnel expenses (including seconded staff and remuneration for directors and statutory

⁸⁸ This statement has been prepared on the basis of the suggestions set out in Consob Communication no. 94001437 of 23 February 1994.

⁸⁹ On 5 November 2025, the Board of Directors of Snam approved the distribution to shareholders of an interim dividend for the 2025 financial year, equal to 0.1208 euro per share, with payment starting from 21 January 2026 (record date: 20 January 2026).

⁹⁰ On 13 November 2025, the Board of Directors of Terna approved the distribution to shareholders of an interim dividend, equal to 0.1192 euro per share, with payment starting from 26 November 2025 (record date: 25 November 2025).

⁹¹ Compared to the deposit agreement "under which a party (depositor) receives from the other (depositor) a movable asset with the obligation to safeguard and return it in kind" (art. 1766 of the Italian Civil Code), in the irregular deposit (concerning cash or other interchangeable assets), the depositor is not obliged to return exactly the same assets but must return just as many of them of the same kind and quality. Therefore, the depositary becomes, at the time of delivery, the owner of the assets delivered to it (art. 1782 of the Italian Civil Code).

auditors). The variance of 0.4 million euro compared with 2024 is mainly attributable to higher consultancy costs related to the capital increase in Italgas.

Income taxes, amounting to –3.5 million euro (–2.7 million euro as at 31 December 2024), derive almost entirely from the algebraic sum of the estimated charge from the tax consolidation recorded in relation to the taxable income transferred to the tax unit (6.7 million euro), partly offset by the estimated income from the tax consolidation (3.3 million euro) relating to the remuneration of the excess of non-deductible interest expenses on an individual basis transferred to the tax consolidation⁹². With regard to deferred taxation, the following were recognised: (i) income of 1.5 million euro relating to the reversal of deferred tax liabilities recognised as at 31 December 2024 following the receipt in January 2025 of the interim dividend for 2024 from Snam⁹³; and (ii) a charge of 1.5 million euro relating to the recognition of deferred tax liabilities on the interim dividend for 2025 from Snam (approved in November 2025 but collected in January 2026).

Compared with 31 December 2024, despite a substantial alignment in the remuneration of excess interest expenses transferable to the tax consolidation, a higher tax burden was recorded, mainly due to the increase in non-deductible interest expenses.

The above income components resulted in a **net profit** for the year of 556.6 million euro, representing an increase of 17.2 million euro (+3%) compared with 2024 (539.4 million euro), mainly driven by the increase in accrued dividends (+53 million euro), only partly offset by the dynamics of financial management (–35 million euro) and by higher tax-related charges (–1 million euro).

⁹² The tax consolidation agreement is currently in force for the three-year period 2025–2026–2027.

⁹³ From a tax perspective, dividends are taxed at a rate of 5% under the “cash principle”. The temporary difference between the accounting result (recognised on an accrual basis) and the taxable income (recognised on a cash basis) required the Company to recognise deferred tax liabilities in the year of accounting recognition (i.e. 2024) for the taxable portion (5%) of the dividend. These deferred taxes were subsequently reversed through the profit and loss in the period in which the income was received (i.e. 2025).

1.3 STATEMENT OF FINANCIAL POSITION

CDP RETI S.p.A.'s statement of financial position as at 31 December 2025 and 31 December 2024 is summarised in the following tables.

Reclassified Assets CDP RETI S.p.A.

(thousand of euros)

Items	31/12/2025	31/12/2024
Equity investment in Snam	3,086,833	3,086,833
Equity investment in Terna	1,315,200	1,315,200
Equity investment in Italgas	885,825	621,032
Other assets	132,649	123,742
Cash and cash equivalents	96,374	108,731
TOTAL ASSETS	5,516,881	5,255,538

As at 31 December 2025, total assets amounted to 5,517 million euro and consist mainly of equity investments (representing 96% of total assets) in Snam, Terna and Italgas, totalling 5,288 million euro (5,023 million euro in 2024).

The significant increase compared with 2024 is mainly attributable to the capital increase in Italgas, for which reference should be made to the section "2 Significant events during the year by sector/activity" of the Report on Operations of the consolidated financial statements. Lower cash and cash equivalents (- 12 million euro), for the reasons discussed below, were partially offset by higher other assets (+9 million euro), mainly due to the higher receivable from Snam for dividends not yet collected at year-end.

With specific reference to the value of the **equity investments** held, please note that, also in light of the latest stock market values recorded:

- **Snam**: closing price as at 30 December 2025 equal to 5.66 euro, weighted average with price volumes of the last month before 30 December 2025 equal to 5.63 euro;
- **Terna**: closing price as at 30 December 2025 equal to 9.05 euro, weighted average with price volumes of the last month before 30 December 2025 equal to 8.93 euro;
- **Italgas**: closing price as at 30 December 2025 equal to 9.52 euro, weighted average with price volumes of the last month before 30 December 2025 equal to 9.33 euro;

above the carrying amount (equal to 2.93 euro for **Snam**, 2.19 euro for **Terna** and 3.36 euro for **Italgas**), as well as the information currently available, no impairment indicators are highlighted that are such to compromise the maintenance of the carrying amount of the equity investments held.

Other assets, amounting to 133 million euro (+ 9 million euro compared to 2024), primarily relate to:

- the receivable from Snam (127 million euro) for the advance payment on the 2025 dividend approved in November 2025 by its Board of Directors (and collected by CDP RETI in January 2026), which is higher than the receivable recorded as of 31 December 2024 (122 million euro collected in January 2025) for the advance on the 2024 dividend;
- the valuation (5 million euro) of the Interest Rate Swap (IRS) derivative contracts entered into by the company in November 2024 to hedge the 2024 Term Loan financing. The increase (+4 million euro) compared with 31 December 2024 (which showed an overall positive valuation of 1 million euro) is attributable to the improvement in the overall mark-to-market (fair value) of the two IRS derivatives on the 2024 Term Loan, linked to changes in interest rate dynamics.

The breakdown of **cash and cash equivalents** mainly refers to the irregular deposit (81 million euro) with the parent company CDP and bank current accounts (15 million euro).

To better understand the changes in cash and cash equivalents, please refer to the subsequent section "Net Financial Debt".

Reclassified Equity and Liabilities CDP RETI S.p.A.

(thousand of euros)

Items	31/12/2025	31/12/2024
Equity	3,802,092	3,547,693
- Share capital and reserves	3,245,497	3,008,310
- Net income for the period	556,595	539,383
Loans	1,705,004	1,702,270
- of which owed to Cdp	196,809	196,509
Other liabilities	9,785	5,575
- of which owed to Cdp	5,562	3,176
TOTAL LIABILITIES	5,516,881	5,255,538

As at 31 December 2025, the **shareholders' equity** amounted to 3,802 million euro (3,548 million euro as at 31 December 2024). In addition to the *profit for the period* of 557 million euro, equity includes the following reserves: i) *Shareholders' contributions reserve for investments*, amounting to 2 billion euro, representing the countervalue of the contribution of approximately 3.5 billion euro made in 2012 by CDP to finance the acquisition of the investment in Snam, net of the portion of this reserve distributed to CDP in 2014 (approximately 1.5 billion euro); ii) *Share premium reserve*, arising from the contribution in 2014 by CDP of the investment in Terna (approximately 1.3 billion euro) and from the share capital increase (266 million euro) completed in the first half of 2025; iii) *Fair value reserve* (positive for 3.8 million euro), representing the fair value measurement of Interest Rate Swap (IRS) derivative contracts, net of the related deferred tax effects.

Compared with the figure at the end of 2024, this item benefited from the profit for the period (557 million euro), the share capital increase (+266 million euro) completed in June, and the improvement in the fair value reserve (+3 million euro). These effects were only partly offset by dividends distributed to shareholders during the period (571 million euro) relating to the final dividend for 2024⁹⁴ and the interim dividend for 2025⁹⁵.

The payables relating to the **loans outstanding** at 31 December 2025, considering the current portion and the non-current portion, consisted of the following:

Loans existing

(thousand of euros)

Items	31/12/2025		31/12/2024	
	Non current	current	Non current	current
Bond	1,090,942	12,894	1,089,098	12,894
Lease liabilities	-	22	22	29
Term Loan Facility	598,073	3,073	597,627	2,600
Total	1,689,015	15,989	1,686,748	15,522

Total debt as of 31 December 2025, amounting to 1,705 million euro (including interest accruals due after 31 December 2025), represents a slight increase from the previous period (1,702 million euro) and relates to:

- the bond loan, recorded at a total nominal value of 500 million euro, issued on 25 October 2022 (maturity 2027) and held at the end of 2025 by institutional investors (320 million euro, equal to 64%), CDP (150 million euro, equal to 30%) and State Grid Europe Limited (30 million euro, equal to 6%);
- the bond loan, recorded at a total nominal value of 600 million euro, issued on 4 September 2024 (maturity 2031) and held at the end of 2025 by institutional investors (519 million euro, equal to 86%), CDP (46 million euro, equal to 8%), Fintecna (30 million euro, equal to 5%) and State Grid Europe Limited (5 million euro, equal to 1%, subscribed in December 2025);
- the 2024 Term Loan (with a nominal value of 600 million euro), issued by a pool of banks in November 2024 (maturing in 2029).

Reference should be made to the section "Net financial debt and cash flows" for a more detailed analysis of the Net Financial Debt of CDP RETI S.p.A.

Other liabilities, amounting to 10 million euro and increasing by 4 million euro compared with 2024, mainly relate to: i) payables to the parent company CDP arising from participation in the tax consolidation regime (0.8 million euro⁹⁶) and from

⁹⁴ 177.5 million euro distributed in the form of 1,099.08 euro per 161,514 shares.

⁹⁵ 394 million euro distributed in the form of 59.32 euro per 6,638,832 shares. This interim dividend was approved (by the Board of Directors meeting on 25 November 2025) based on the company's financial statement as of 30 June 2025 – prepared in accordance with IFRS principles – which closed the period with a net profit of 394 million euro and available reserves of 2,054 million euro.

⁹⁶ This balance results from the difference between:

existing service agreements; ii) trade payables (0.7 million euro), mainly relating to consultancy costs associated with the capital increase in Italgas, as well as payables to corporate bodies; iii) payables to the parent company CDP (4 million euro) relating to the margin received under the Credit Support Agreement (CSA) entered into in connection with derivative instruments used to hedge cash flows (Cash Flow Hedge); and iv) the recognition of deferred tax liabilities (1.5 million euro as at 31 December 2025), recorded with a corresponding entry in the income statement, relating to the interim dividend for 2025 approved by Snam in November 2025 and collected in January 2026. Movements in deferred tax liabilities also include the reversal (recognised in the income statement) of the deferred tax liability recorded as at 31 December 2024 (1.5 million euro) following the collection in the first half of 2025 of the interim dividend for 2024 from Snam.

1.4 NET FINANCIAL DEBT AND CASH FLOWS

Net financial debt, determined in accordance with the “Guidelines on disclosure requirements under the Prospectus Regulation” issued by ESMA⁹⁷ (ESMA32-382-1138) on 4 March 2021 and implemented by Consob communication starting from 5 May 2021, compared to the end of 2024, is as follows:

Net Financial Debt			
(thousand of euros)			
Items		31/12/2025	31/12/2024
A	Cash (1)	96,374	108,731
B	Cash equivalents (1)		
C	Other current financial assets		
D	Liquidity (A + B + C)	96,374	108,731
E	Current financial debt (including debt instruments, but excluding the current portion of non-current financial debt) (2)	(4,000)	
F	Current portion of non-current financial debt (*) (2)	(15,989)	(15,522)
G	Current financial debt (E + F)	(19,989)	(15,522)
H	Net current financial debt (G - D)	76,385	93,209
I	Non-current financial debt (excluding current portion and debt instruments) (*) (3)	(598,073)	(597,649)
J	Debt instruments (3)	(1,090,942)	(1,089,098)
K	Trade payables and other non-current payables		
L	Non-current financial debt (I + J + K)	(1,689,015)	(1,686,748)
M	Total financial debt (H + L)	(1,612,630)	(1,593,539)

(*) They include financial liabilities for leased assets recognised in accordance with IFRS 16 "Leases", of which 22 thousand euro are short-term portions of long-term financial liabilities (22 thousand euro long-term and 29 thousand euros short-term portions of long-term financial liabilities as of December 31, 2024)

In the balance sheet of CDP RETI S.p.A.:

(1) The balance is included in the item "Cash and cash equivalents"

(2) The balance is included in the item "Current portion of long-term loans" and "Current financial liabilities"

(3) The balance is included in the item "Loans"

Net financial debt as at 31 December 2025, amounting to 1,613 million euro (also including accrued interest with financial settlement after 31 December 2025), increased by 19 million euro, mainly as a result of lower cash and cash equivalents (due to the dynamics described below) and higher current financial debt (20 million euro compared with 16 million euro). This increase is almost entirely attributable to the recognition of the payable to the parent company relating to the margin received under the guarantee agreement associated with the hedging derivatives.

As at 31 December 2025, net financial debt towards the parent company CDP amounted to 120 million euro (111 million euro as at 31 December 2024). The increase compared with 2024 is attributable both to lower cash deposits held with the parent company and to the recognition of the liability relating to the CSA guarantee agreement, entered into in connection with the derivatives used to hedge cash flows, as a result of the mark-to-market dynamics of the hedging derivatives.

With regard to the detailed items, the following is noted.

Liquidity as at 31 December 2025 (96 million euro) consisted mainly of the irregular deposit (81 million euro) with the parent company CDP and the amounts on deposit with primary credit institutions (15 million euro).

1) the net current tax payable (3.4 million euro) estimated for 2025, calculated as the algebraic sum of the tax charge relating to the Company's taxable income (6.7 million euro) and the income deriving from the excess of non-deductible interest expenses on an individual basis transferred to the tax consolidation (3.3 million euro);

2) the receivable from the parent company CDP, recognised as at 31 December 2025, relating to the payment of tax advances for 2025 (2.7 million euro) resulting from the Company's participation in the tax consolidation regime.

⁹⁷ European Securities and Markets Authority (ESMA).

In comparative terms, there is a reduction (-12 million euro) compared to the end of 2024, mainly due to:

- the dividends received (629 million euro vs. 578 in 2024);
- the subscription by shareholders of newly issued CDP RETI shares (266 million euro);
- the interest income received related to the cash held with CDP (5 million euro);
- the adjustment of the margins received from the parent company CDP under the guarantee agreement entered into in connection with the hedging derivatives, resulting in a positive cash flow of 4 million euro during the period;

They have been more than offset by:

- the dividends – final dividend for 2024 and interim dividend for 2025 – distributed to shareholders (571 million euro compared with 531 million euro in 2024);
- the subscription of newly issued Italgas shares (265 million euro);
- the payment of: (i) the coupon on the 2022 bond (29 million euro), (ii) the coupon on the 2024 bond (23 million euro), and (iii) the interest expense (including the settlement of interest related to the swap transactions) associated with the 2024 Term Loan (19 million euro);
- the payment to CDP of taxes relating to the tax consolidation regime (5 million euro);
- additional outflows connected to ordinary operations.

Overall, please note that the receivable from Snam for the 2025 interim dividend (about 127 million euro, collected in January 2026), in line with the approach adopted in previous years, is considered by CDP RETI as cash flow generated by its operating activity and consequently excluded from calculation of the Net Financial Debt.

Current financial debt (20 million euro; 16 million euro as at 31 December 2024) mainly relates to accrued interest on the 2024 bond (8 million euro), the 2022 bond (5 million euro) and the 2024 Term Loan (3 million euro), with financial settlement expected in May 2026 (Term Loan 2024), September 2026 (Bond 2024) and October 2026 (Bond 2022). The increase compared with 31 December 2024 is mainly attributable to the higher indebtedness towards the parent company CDP, due to the dynamics described above.

Non-current financial debt (1,689 million euro; 1,687 million euro as at 31 December 2024) is broadly in line with the previous year. Excluding purely accounting effects arising from the fair value measurement of derivatives, it relates almost entirely to: (i) the 2024 Term Loan (598 million euro), corresponding to the nominal value of 600 million euro, net of the associated costs amortised over the life of the loan, granted in November 2024 by a pool of banks and maturing in 2029; (ii) the bond issued in September 2024 (592 million euro), with a nominal value of 600 million euro and maturity in 2031, net of associated costs amortised over the life of the instrument; and (iii) the bond issued in October 2022 (498 million euro), with a nominal value of 500 million euro and maturity in 2027, net of associated costs amortised over the life of the instrument.

The main economic terms of the financing agreement signed in November 2024 can be summarised as follows:

- total amount financed is 600,000,000 euro through a pool of banks;
- floating interest rate, calculated as the 6-month Euribor plus a margin of 115 bps;
- repayment: bullet repayment at maturity (except in the case of cancellation or early repayment);
- interest periods of six months (in May and November);
- upfront fee: set at 40 bps.

Furthermore, it should be noted that, in order to mitigate the variability of the 6-month Euribor rate and the related cash flows, as well as the impact on the financial results, the variable rate of the financing has been converted into a fixed rate⁹⁸ by entering into two derivatives, under market conditions⁹⁹, to hedge future cash flows associated with the 2024 Term Loan (i.e., an Interest Rate Swap with the parent company CDP to cover the interest rate risk of the Term Loan, or to minimise fluctuations in cash flows related to the financing and its variable rate).

The economic and financial characteristics of the hedging derivatives are entirely aligned with those of the item being hedged, specifically:

- The total notional value of the two derivatives is equal to the nominal value of the loan;
- The maturity date (November 2029) and the financial settlement dates for the derivatives' differentials (semi-annual and deferred¹⁰⁰) are aligned with the financing agreement;
- For both derivatives, the underlying floating rate and spread are identical, namely six-month Euribor + 115 basis points.

The *mark to market* of IRS derivatives, not listed on an active market and calculated daily by the parent company CDP¹⁰¹, as at 31 December 2025, results for CDP RETI:

⁹⁸ The fixed annual rates of 3.383% and 3.406% are the results, respectively, of the hedging derivative entered into in November 2024 to cover the first drawdown of 345 million and the hedging derivative entered into, also in November 2024, to cover the second drawdown of 255 million.

⁹⁹ That is to say, with a fair value upon the signing of the contract of near zero or else of an insignificant amount in terms of negative fair value as a percentage of the nominal value of the transaction.

¹⁰⁰ The differentials are settled in arrears in May and in November of each year on a deferred basis with their value determined by comparing the following elements:

- the receive leg for CDP RETI: six-month Euribor, determined on the second business day preceding the start of the relevant interest period, plus a spread of 1.15%, applicable to both IRS contracts;
- the pay leg for CDP RETI: a fixed rate of 3.383% on the IRS with a notional amount of 345 million euro and 3.406% on the IRS with a notional amount of 255 million euro.

¹⁰¹ On the basis of generally accepted valuation models and techniques, which refer to inputs (the Euribor interest rate curve for the entire period of reference of the contract) observable on the market.

- positive by 3.2 million euro for the IRS of 345 million euro, and reported in the financial statements under "Non-current financial assets";
- positive by 2.1 million euro for the IRS of 255 million euro, and reported in the financial statements under "Non-current financial assets".

Changes in the value of the effective component of the derivatives, on the other hand, have been classified under a specific equity reserve account ("Valuation reserve Cash Flow Hedge"), net of deferred tax impact, since the conditions for the application of hedge accounting¹⁰² were met.

As at 31 December 2025, the Net Financial Debt/Equity ratio (leverage) stood at 0.42, representing an improvement compared with 2024.

Compared with 2024, the Net Financial Debt/Dividends ratio (which reflects the core operating result of the Company) also decreased, falling from 2.74 to 2.54, mainly due to higher dividends accrued during the period.

Cash flows

(thousand of euros)

Items	31/12/2025	31/12/2024
Cash and cash equivalents at the start of the year	108,731	129,377
Cash flows from operating activities	557,869	512,616
Cash flows from investing/disinvesting activities	(264,823)	(30)
Cash flows from financing activities	(305,403)	(533,232)
Cash and cash equivalents at year end	96,374	108,731

The cash flow from operating activities in 2025 shows a positive cash generation of 558 million euro, an increase of 45 million euro compared to 2024. The item mainly includes: (i) dividends received during the year, increasing by 52 million euro; (ii) the settlement of margins paid or received from the parent company CDP under the guarantee agreement entered into in 2020 (positive cash flow of 4 million euro in 2025 compared with a negative cash flow of 42 million euro in 2024). These effects were partly offset by: (iii) cash flows relating to interest income and expenses on cash balances and financial liabilities, including the effects of hedging derivatives; and (iv) cash flows related to taxes, including a negative cash flow of 5 million euro in 2025, relating to the payment to the parent company CDP of the balance of IRES for 2024 and the advances for IRES 2025 under the tax consolidation regime, compared with a positive cash flow of 5 million euro in 2024, relating to the amount received from the parent company CDP deriving from the excess of non-deductible interest expenses transferred to the tax consolidation.

Cash flow from investing/divesting activities relates almost entirely to the effects (265 million euro) of the Italgas share capital increase, as described in the section "2 Significant events during the year by sector/activity" of the Report on Operations of the consolidated financial statements.

Cash flow from financing activities, which absorbed liquidity of 305 million euro, mainly relates to the payment of dividends to shareholders (571 million euro compared with 531 million euro in 2024), partly offset by the effects (266 million euro) associated with the share capital increase of CDP RETI (reference should be made to the section "2 Significant events during the year by sector/activity" of the Report on Operations of the consolidated financial statements).

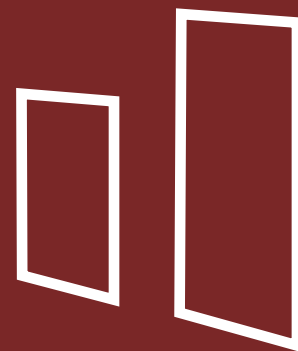
¹⁰² On 1 January 2018, CDP RETI adopted IFRS 9 as for the rules for classification, measurement and impairment. With regard to the rules on hedge accounting, the Company has exercised the option of maintaining the rules set out under IAS 39, applying the regulatory/accounting choices made by the Parent Company CDP.

2. REPORT ON CORPORATE GOVERNANCE AND OWNERSHIP STRUCTURE OF CDP RETI S.P.A.

pursuant to article 123-bis, paragraph 2, letter b) of the Consolidated Law on Finance

With regard to the “Report on corporate governance and ownership structure: main characteristics of the risk management and internal control systems for financial reporting, including on a consolidated basis, pursuant to Article 123-bis, paragraph 2, letter b) of the Consolidated Law on Finance”, it is possible to refer to the contents of paragraph 8 of the Report on Operations of the consolidated financial statements, also applicable to the separate financial statements of CDP RETI S.p.A.

4 SEPARATE FINANCIAL STATEMENTS 2025



***Separate financial statements
at 31 December 2025***

Notes to the separate financial statements

***Proposal for the allocation of net profit
for the year***

Annexes

Report of the statutory auditors

Report of the independent auditors

Certification of the separate financial statements

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FORM AND CONTENT OF THE SEPARATE FINANCIAL STATEMENTS AT 31 DECEMBER 2025

The separate financial statements at 31 December 2025 have been prepared in accordance with the International Financial Reporting Standards (IFRS) and consist of:

- Balance Sheet;
- Income Statement;
- Statement of comprehensive income;
- Statement of Changes in Equity;
- Statement of Cash Flows;
- Notes to the Separate Financial Statements

The Notes to the Separate Financial Statements are composed of:

- Introduction
- I - Basis of presentation and accounting policies
- II - Information on the Balance Sheet
- III - Information on the Income Statement
- IV - Information on risks and the related hedging policies
- V - Transactions with related parties
- VI - Non-recurring events and significant transactions
- VII - Operating segments

The section "Annexes", which is an integral part of the financial statements, also includes the analytical list of equity investments owned by CDP RETI and the separate financial statements at 31 December 2024 of the parent company Cassa Depositi e Prestiti S.p.A..

With reference to the report to be made regarding the obligations introduced by Law no. 124 of 4 August 2017, concerning the transparency of public funds, we can state there is nothing that needs reporting.

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SEPARATE FINANCIAL STATEMENTS AT 31 DECEMBER 2025

BALANCE SHEET - ASSETS

(euro)					
Assets	Notes	31/12/2025	<i>of which from related parties</i>	31/12/2024	<i>of which from related parties</i>
Non-current assets					
Property, plant and equipment	1	18,597	18,597	46,189	46,189
Intangible assets	2			10,789	
Equity investments	3	5,287,857,641		5,023,064,811	
Non-current financial assets	4	5,284,290	5,284,290	1,195,840	1,195,840
Deferred tax assets	5	344		448	
Other non-current assets					
Total non-current assets		5,293,160,872	5,302,887	5,024,318,077	1,242,029
Current assets					
Current financial assets					
Income tax receivables					
Other current assets	6	127,345,777	127,299,247	122,489,067	122,439,025
Cash and cash equivalents	7	96,374,183	80,828,866	108,731,038	85,610,958
Total current assets		223,719,960	208,128,113	231,220,105	208,049,983
Total assets		5,516,880,832	213,430,999	5,255,538,182	209,292,012

BALANCE SHEET - LIABILITIES

(euro)					
Liabilities and equity	Notes	31/12/2025	of which from related parties	31/12/2024	of which from related parties
Equity					
Share capital	8	165,971		161,514	
Reserves:	9	3,635,357,865		3,369,432,621	
<i>Share premium reserve</i>		1,581,083,528		1,315,158,486	
<i>Income reserves</i>		24,354,315		24,354,113	
<i>Other reserves</i>		2,029,920,022		2,029,920,022	
Valuation reserves	10	3,787,969		581,914	
Interim dividends	11	(393,815,514)		(361,865,656)	
Net income for the period (+/-)		556,595,376		539,382,665	
Total Equity		3,802,091,668		3,547,693,058	
Non-current liabilities					
Provisions					
Provision for employee benefits	12	36,928		22,074	
Loans	13	1,689,014,966	348,556,877	1,686,747,742	253,779,189
Other financial liabilities					
Deferred tax liabilities	14	3,117,809		1,713,585	
Other non-current liabilities					
Total non-current liabilities		1,692,169,703	348,556,877	1,688,483,401	253,779,189
Current liabilities					
Current portion of long-term loans	15	15,988,815	3,366,890	15,522,365	2,912,297
Trade payables	16	692,699	3,332	313,164	13,366
Income tax liabilities					
Current financial liabilities	17	4,000,000	4,000,000		
Other current liabilities	18	1,937,947	1,847,272	3,526,194	3,439,727
- <i>Tax payables</i>		21,658		28,868	
- <i>Payables to parent companies</i>		1,562,294	1,562,294	3,175,644	3,175,644
- <i>Payables due to pension and social security institutions</i>		15,445		17,404	
- <i>Other payables</i>		338,550	284,979	304,278	264,083
Total current liabilities		22,619,461	9,217,495	19,361,723	6,365,390
Total liabilities and equity		5,516,880,832	357,774,372	5,255,538,182	260,144,579

INCOME STATEMENT

(euro)					
Income statement items	Notes	2025	of which from related parties	2024	of which from related parties
Revenues					
Revenues from sales and services					
Other revenues and income	19	17,923	17,921	17,723	17,723
Total revenues		17,923	17,921	17,723	17,723
Costs					
Services	20	(2,465,387)	(780,590)	(2,074,998)	(776,574)
Staff costs	21	(983,447)	(456,296)	(942,598)	(416,783)
Amortisation, depreciation and impairment on property, plant and equipment and intangible assets	22	(38,381)	(27,593)	(47,130)	(27,668)
Net impairment (recoveries) of trade receivables and other receivables					
Other operating costs	23	(7,904)		(78,604)	(291)
Total costs		(3,495,120)	(1,264,479)	(3,143,330)	(1,221,316)
Profit (loss) on operations		(3,477,197)	(1,246,558)	(3,125,607)	(1,203,593)
Financial income (expenses)					
Financial income	24	640,123,945	640,109,433	641,937,296	641,926,040
- of which dividends from subsidiaries		634,224,346	634,224,346	581,423,658	581,423,658
Borrowing expenses	25	(76,523,385)	(17,417,607)	(96,729,115)	(26,071,313)
Total financial income (expenses)		563,600,561	622,691,826	545,208,181	615,854,727
Income before taxes		560,123,364	621,445,268	542,082,574	614,651,134
Income taxes, current and deferred taxes	26	(3,527,987)		(2,699,909)	
NET INCOME FOR THE YEAR		556,595,376	621,445,268	539,382,665	614,651,134

STATEMENT OF COMPREHENSIVE INCOME*

(euro)

Comprehensive income items	Notes	31/12/2025	31/12/2024
Income (loss) for the year		556,595,376	539,382,665
Other comprehensive income net of taxes not transferred to income statement			
Property, plant and equipment			
Defined benefit plans			
Other comprehensive income net of taxes transferred to income statement			
Financial assets at FVTOCI			
Cash flow hedges	10	3,206,056	(26,784,037)
Total other comprehensive income net of taxes		3,206,056	(26,784,037)
COMPREHENSIVE INCOME		559,801,432	512,598,628

* It is specified that the values are shown net of the tax effect where applicable

STATEMENT OF CHANGES IN EQUITY: CURRENT FINANCIAL YEAR

(euro)	Notes	Share capital	Legal reserve	Issue premium	Valuation reserves net of taxes
Total equity at 31 December 2024		161,514	32,303	1,315,158,486	581,913
Change in opening					
Total equity at 1 January 2025		161,514	32,303	1,315,158,486	581,913
Net income (loss) for the year					
Other comprehensive income:	10				
- cash flow hedges					3,206,056
- defined benefit plans					
- exchange rate differences					
- other					
Total other comprehensive income					3,206,056
Comprehensive income					3,206,056
Transactions with Shareholders					
Allocation of previous year net income/(loss):					
- interim dividend 2024	11				
- dividends					
- retained earnings	10				
Interim dividend 2025	11				
Treasury stock transactions					
Capital increase		4,457		265,925,042	
Total transactions with Shareholders		4,457		265,925,042	
Other changes					
Total other changes					
Total equity at 31 December 2025		165,971	32,303	1,581,083,528	3,787,969

STATEMENT OF CHANGES IN EQUITY: PREVIOUS FINANCIAL YEAR

(euros)	Notes	Share capital	Legal reserve	Issue premium	Valuation reserves net of taxes
Total equity at 31 December 2023		161,514	32,303	1,315,158,486	27,365,951
Change in opening					
Total equity at 1 January 2024		161,514	32,303	1,315,158,486	27,365,951
Net income (loss) for the year					
Other comprehensive income:	10				
- cash flow hedges					(26,784,037)
- defined benefit plans					
- exchange rate differences					
- other					
Total other comprehensive income					(26,784,037)
Comprehensive income					(26,784,037)
Transactions with Shareholders					
Allocation of previous year net income/(loss):					
- interim dividend 2023	11				
- dividends					
- retained earnings	10				
Interim dividend 2024	11				
Treasury stock transactions					
Total transactions with Shareholders					
Other changes					
Total other changes					
Total equity at 31 December 2024		161,514	32,303	1,315,158,486	581,913

Other reserves	Retained earnings	Net income (loss) for the year	Interim dividend	Total equity
2,029,920,022	24,321,811	539,382,665	(361,865,657)	3,547,693,058
2,029,920,022	24,321,811	539,382,665	(361,865,657)	3,547,693,058
		556,595,376		556,595,376
				3,206,056
				3,206,056
		556,595,376		559,801,432
		(361,865,657)	361,865,657	(177,516,806)
	202	(177,516,806)		(177,516,806)
		(202)		(393,815,514)
			(393,815,514)	(393,815,514)
				265,929,499
	202	(539,382,665)	(31,949,857)	(305,402,821)
2,029,920,022	24,322,013	556,595,376	(393,815,514)	3,802,091,668

Other reserves	Retained earnings	Net income (loss) for the year	Interim dividend	Total equity
2,029,920,022	24,320,952	512,538,081	(343,042,815)	3,566,454,493
2,029,920,022	24,320,952	512,538,081	(343,042,815)	3,566,454,493
		539,382,665		539,382,665
				(26,784,037)
				(26,784,037)
		539,382,665		512,598,628
		(343,042,815)	343,042,815	(169,494,407)
	859	(169,494,407)		(169,494,407)
		(859)		(361,865,656)
			(361,865,656)	(361,865,656)
	859	(512,538,081)	(18,822,842)	(531,360,063)
2,029,920,022	24,321,811	539,382,665	(361,865,657)	3,547,693,058

STATEMENT OF CASH FLOWS

(euro)	Notes	31/12/2025	31/12/2024
Net income		556,595,376	539,382,665
Adjustments to net income to reflect cash flow from operating activities:			
Amortisation and depreciation	23	38,381	47,130
Recoveries (impairment) on property, plant and equipment and intangible assets			
Recoveries (impairment) on financial assets	26	(443)	(390)
Provisions for staff severance pay	22	14,756	12,432
Effect of accounting using the equity method			
Net losses (gains) on disposals, cancellations and eliminations of assets			
Dividends	25	(634,224,346)	(581,423,658)
Interest income	25	(5,899,599)	(60,513,638)
Interest expense	26	76,523,827	96,729,505
Income taxes	27	3,527,987	2,699,909
Changes in working capital:			
- Inventories			
- Trade receivables			
- Trade payables	17	379,535	222,320
- Provisions			
- Current financial assets			
- Other assets and liabilities		4,297,451	(40,821,975)
Cash flow from working capital		4,676,986	(40,599,654)
Change in provisions for employee benefits	12	(601)	541
Dividends received	25	629,377,363	577,841,105
Interest received	25	6,268,948	64,048,111
Interest paid	26	(73,666,241)	(90,232,140)
Income taxes paid net of tax credits reimbursed / income from participation in the tax consolidation mechanism	6	(5,363,740)	4,624,383
Cash flow from operating activities		557,868,655	512,616,302
- <i>with related parties</i>		621,933,310	578,986,474
Investing activities:			
- Property, plant and equipment	1	(29,857)	(30,031)
- Intangible assets			
- Companies in the scope of consolidation and business units			
- Equity investments		(264,792,830)	
- Change in payables and receivables relative to investing activities			
Cash flow from investing activities		(264,822,687)	(30,031)
Divestments:			
- Property, plant and equipment			
- Intangible assets			
- Equity investments			
- Change in payables and receivables relative to divestments			
Cash flow from divestments			
Net cash flow from investing activities		(264,822,687)	(30,031)
- <i>with related parties</i>		(264,822,687)	(30,031)
Assumption of non-current liabilities	13	-	591,127,640
Repayments of non-current liabilities	13		(593,000,000)
Assumption of current liabilities			
Repayments of current liabilities			
Net equity capital injections		265,929,499	
Dividends distributed to shareholders	8-10	(571,332,321)	(531,360,063)
Net cash flow from financing activities		(305,402,823)	(533,232,423)
- <i>with related parties</i>		(287,325,223)	(565,497,652)
Net cash flow for the year		(12,356,855)	(20,646,152)
Cash and cash equivalents at start of year		108,731,038	129,377,190
Cash and cash equivalents at end of year	7	96,374,183	108,731,038

NOTES TO THE SEPARATE FINANCIAL STATEMENTS

INTRODUCTION

FORM AND CONTENT OF THE FINANCIAL STATEMENTS

The financial statements of CDP RETI have been prepared in accordance with the IFRS and comprise the balance sheet, the income statement, the statement of comprehensive income, the statement of changes in equity, the statement of cash flows and these notes to the financial statements, as well as the Directors' report on operations.

The financial statements clearly present, and give a true and fair view of, the Company's financial performance and results of operations for the year.

The financial statements correspond with the company's accounting records and fully reflect the transactions conducted during the financial year.

The financial statements are expressed in euros, as are the tables in the explanatory notes. In the income statement, revenues are indicated without a sign, while costs are shown in brackets. The rounded amounts for the various items are the sum of the rounded balances of sub-items.

As detailed below, the notes to the financial statements provide all information required by law, as well as any supplemental information deemed necessary in order to give a true and fair view of the company's financial performance and standing.

AUDITING OF THE FINANCIAL STATEMENTS

The separate financial statements of CDP RETI are subject to statutory audit by the independent auditing firm Deloitte & Touche S.p.A., following award of the audit engagement for the 2020-2028 period by the Shareholders' Meeting of 10 May 2019.

MANAGEMENT AND COORDINATION BY CASSA DEPOSITI E PRESTITI S.P.A.

CDP RETI is 59.10% owned by Cassa Depositi e Prestiti (hereinafter CDP). The Company is subject to management and coordination by CDP. Management and coordination is performed in such a way as to avoid infringing European regulations on state aid.

I - BASIS OF PREPARATION AND ACCOUNTING STANDARDS

I. GENERAL INFORMATION

Declaration of compliance with the International Financial Reporting Standards

These financial statements have been prepared in accordance with the International Financial Reporting Standards (IFRS) promulgated by the International Accounting Standards Board (IASB), as adopted by the European Commission and in force at 31 December 2025, together with the relevant laws and regulations applicable in Italy, also considering the minimum disclosure requirements provided by the Italian Civil Code, where consistent with the adopted standards.

The international accounting standards include IFRS issued by the IASB, relevant IAS issued by the IASB and the interpretations issued by the IFRS Interpretation Committee (IFRIC) and those previously issued by the Standing Interpretations Committee (SIC).

General preparation principles

The financial statement formats used to prepare the financial statements are consistent with the provisions of IAS 1 – Presentation of Financial Statements (hereinafter, IAS 1).

In particular:

- the items on the balance sheet are classified by distinguishing assets and liabilities as “current / non-current”¹⁰³;
- the income statement has been prepared by classifying costs by their nature, insofar as this form of presentation is deemed the most appropriate for representing the actual situation of the Company, and is consistent with the consolidated practice of firms operating on international markets;
- the statement of comprehensive income includes Profit/(Loss) for the year inclusive of revenues and costs that are directly recognised in the Statement of changes in equity as required by IFRS;
- the statement of changes in equity includes profit/(loss) for the year, transactions with shareholders and other changes in equity;
- the Statement of cash flows is drafted by using the “indirect” method (as per IFRS 7 - Statement of cash flows), adjusting net income for the effects of non-cash transactions.

In addition, as required by the Consob resolution no. 15519 issued in July 2006, within the income statement, any operational income and expenses that by virtue of their size, nature or expected frequency do not occur regularly in the normal course of operations (i.e. exceptional items), if present, warrant separate presentation. In accordance with the same CONSOB resolution, related parties' transactions are shown separately in the financial statements.

It is believed that these statements present an adequate view of the Company's financial position and performance of operations.

Reference is made to the section “Transactions with related parties” for information about the net amounts of receivables and payables and transactions with related parties.

The financial statements have been prepared in accordance with the financial reporting standards issued by the IASB (including the SIC and IFRIC interpretations) and endorsed by the European Commission pursuant to Regulation (EC) 1606 of 19 July 2002, published in Official Journal L. 243 of 11 September 2002.

For the purposes of interpretation and to provide support in applying the financial reporting standards, the following documents have also been considered, although they have not been endorsed by the European Commission:

- Conceptual framework for financial reporting;
- Implementation Guidance and Basis for Conclusions;
- SIC/IFRIC Interpretation Documents;
- Interpretation documents concerning the application of the IFRS in Italy, prepared by the Organismo Italiano di Contabilità (Italian Accounting Board, OIC);
- Documents issued by ESMA and Consob concerning the application of specific IFRS rules;
- Documents issued by ESMA and Consob regarding the assessments and disclosure required for financial reporting¹⁰⁴.

Where the information required by the IFRS is deemed to be inadequate in presenting the company's financial standing in a true and fair manner, the explanatory notes also provide supplemental information for such purpose.

The financial statements have been duly prepared on an accrual and going-concern basis. The general principles of the materiality and significance of information and the prevalence of substance over form have also been taken into account.

¹⁰³ Assets and liabilities are classified as current when: (i) the entity expects to realise or consume the asset or liability, in its normal operating cycle or within the twelve months after the reporting period; (ii) the asset or liability is cash or a cash equivalent unless it is restricted from being exchanged or used for at least twelve months after the reporting period; (iii) they are held primarily for the purpose of trading.

¹⁰⁴ These references are:

- ESMA Public Statement of 14 October 2025 “European common enforcement priorities for 2025 corporate reporting”;
- Consob communication “ESMA: the new supervisory priorities for 2025 reporting”.

In compliance with IAS 1 Revised, CDP RETI has conducted an assessment of the Company's ability to continue to operate as a going concern, considering all available information over the medium term.

Based on an analysis of this information, CDP RETI feels that it is appropriate to prepare its financial statements on a going concern basis. The current macroeconomic scenario continues to be characterised by a combination of factors related to geopolitical tensions (which still weigh on global prospects), the variability of monetary policy conditions, the general deterioration of the economic climate, and uncertainties about future developments.

Please refer to the "Other aspects" section of the explanatory notes for further details on the uncertainties characterising the current context.

No assets have been offset against liabilities, nor revenues against expenses, unless expressly required or allowed by an accounting standard or a related interpretation.

Use of estimates

The application of the International Financial Reporting Standards in preparing the financial statements requires the company to make accounting estimates for certain balance sheet items that are considered reasonable and realistic according to the information available at the time the estimate is made. Such estimates impact the carrying amount of the assets and liabilities, and the disclosures on contingent assets and liabilities at the reporting date, as well as the amounts reported for revenues and costs for the reporting period. Management's estimates and judgments are based on past experience and other factors considered reasonable on a case-by-case basis; they are adopted when the carrying value of assets and liabilities is not readily inferable from other sources. The actual results may therefore differ from these estimates. Changes in the conditions underlying the judgements, assumptions and estimates used could also have an impact on future earnings results.

Estimates and assumptions are subject to regular review and the effects of changes are reflected in the income statement if the review concerns only the current period; in the event that, on the other hand, the effects concern both current and future periods, the variation is recognised in the period in which the change in the estimate is made and in the relative future periods.

The main areas in which management is required to make subjective assessments are:

- the recoverable amount of equity investments: objective evidence that the carrying value of the equity investments might not be fully recoverable is assessed at every annual reporting date. An impairment test is performed when the aforementioned evidence exists, to estimate the recoverable amount of the equity investments and comparing it with their carrying value, to determine the recognition of any impairment losses;
- the fair value of hedging derivatives, such as Interest Rate Swaps (unquoted financial instruments), using specific valuation techniques, and the accounting rule to apply when subscribing to a financial liability (or part of it) in relation to the early settlement of a prior financial liability (derecognition vs modification);
- leases: in the absence of observable inputs, the Company calculates the present value of the payments due under a lease by estimating the incremental borrowing rate - at the commencement date of a lease - based on assumptions that reflect the duration and contractual terms and conditions of a lease;
- the value of current and deferred tax liabilities. Income taxes (current and deferred) are determined based on a prudent interpretation of the applicable tax regulations. This process sometimes involves complex estimates in determining taxable income and deductible and taxable temporary differences between accounting and tax values. In particular, deferred tax assets are recognised to the extent that future taxable income is likely to be available against which they can be recovered. The assessment of the recoverability of deferred tax assets takes into account the estimate of future taxable income.

As set out in IAS 8 (Accounting Policies, Changes in Accounting Estimates, and Errors), paragraph 10, in the absence of a specific accounting standard or interpretation applicable to a given transaction, management shall determine the appropriate accounting policies through careful subjective evaluation. The aim is to provide financial statements that faithfully represents the financial position, economic performance, and cash flows, reflecting the economic substance of transactions, being neutral, prepared on a prudent basis, and complete in all material aspects.

The description of the accounting policies used for the main financial statement items provides details on the main assumptions and assessments used in preparing the financial statements.

Events subsequent to the reporting date

During the period between the reporting date of these financial statements and the date of their approval by the Board of Directors (7 April 2026), no events occurred that would require an adjustment to the figures approved nor did any significant events occur that would have required additional information or additional reporting.

The conflict in the Middle East

The conflict in the Middle East, which emerged at the end of February 2026 through a series of air operations conducted by the armed forces of the United States and Israel against targets in Iran, together with retaliatory attacks by Iran against targets in neighbouring countries, has crystallised tensions between the United States and Israel on one side and the Iranian regime on the other. The military developments and the resulting severe disruption to the movement of goods and

people in the Persian Gulf region, and in particular in the Strait of Hormuz, have generated significant effects and turbulence in the markets, both in financial markets and in energy commodity prices.

With regard to CDP RETI S.p.A.'s exposure to risk profiles arising from the conflict in the Middle East, the Company, as a holder of significant equity investments, is affected by the risk profiles associated with its investee companies. Accordingly, given its nature as a financial holding company, the Company's performance and liquidity are influenced not only by the market values of its investee companies, but also by the ability of its subsidiaries to distribute dividends (and the related dividend policies), which in turn depends on the financial position and operating results of the SNAM group, the TERNA group and the ITALGAS group. Any deterioration in the economic and financial condition of the investee companies could therefore adversely affect the financial position and operating results of CDP RETI S.p.A.

Although Management continuously monitors developments, it is not currently possible to reliably predict the direct or indirect impact of the current geopolitical environment.

In accordance with IAS 10 Events after the Reporting Period, recent international developments involving the Middle East, qualify as so-called non-adjusting events, that is, events indicative of conditions arising after the reporting date that do not require adjustment, as they have no impact on the determination of profit or loss and equity in the separate financial statements as at 31 December 2025.

Other issues

New international financial reporting standards endorsed and in force from 2025, and new financial reporting standards and interpretations issued and endorsed by the European Union, but not yet in force (entry into force for financial years beginning from 1 January 2026)

With regard to the new International Financial Reporting Standards endorsed and in force from 2025, and the new standards and interpretations already issued and endorsed by the European Union, but not yet in force (effective from financial year beginning 1 January 2026), reference is made to the Notes of the Consolidated Financial Statements.

Disclosure on priority issues and general considerations made by ESMA in relation to financial reports

The current geopolitical environment continues to be characterised by the ongoing conflict in Ukraine, escalating tensions in the Middle East and increasing trade frictions, which have resulted in persistent volatility in energy and commodity prices, disruptions to supply chains and shifts in the balance of global trade.

Keeping this in mind, it is worth highlighting that, as an investment vehicle, CDP RETI S.p.A. could mainly be affected by the valuation of the controlling interests in its portfolio, which account for more than 90% of its balance sheet assets. Accordingly, at each reporting date, an assessment is performed to identify any indicators (so-called trigger events) that could suggest the carrying value of the investment is not fully recoverable. If such indicators are detected, an impairment test is carried out to determine the recoverable amount of the investments, which is then compared to their carrying value to assess the need for any impairments.

In relation to the variables defining the current situation, it remains necessary to assess the impacts that the prevailing context may have on the Company's operations.

Specifically, to assess the equity investment's recoverable amount, understood as the higher of the fair value net of cost of sales and its value in use (so-called value in use), in the event of one or more impairment indicators, the Company determines the relative fair value (calculated as the weighted average of stock prices and volumes from the last month up to the valuation date). Specifically regarding the exposure to risks more closely related to climate change, CDP RETI S.p.A. currently faces a limited overall exposure, and there have been no impacts to date on the estimation of the recoverable amount (nor are such impacts anticipated in the short term) of the equity investments held in its portfolio due to climate-related issues.

In terms of financial risks, CDP RETI S.p.A. does not hold any ESG-linked financial assets and, overall, is not materially exposed to credit risk, which primarily arises from receiving dividends from subsidiaries and trading derivative instruments (for which cash collateral is exchanged), bank deposits, and irregular deposits with its parent company, CDP S.p.A.

With reference to exposure to and management of interest rate risk (mainly deriving from the variability of cash flows associated with interest generated by the variable-rate portion of debt), CDP RETI's policy is primarily implemented through the definition of an optimal financial structure, with the dual objective of stabilising financial charges and containing the cost of funding.

Specifically, the Company has two hedge accounting transactions (IRS) with the parent company, CDP S.p.A. (both completed in November 2024), to hedge the interest rate risk on the variable rate [Term Loan] (also finalised in November 2024), whose Mark to Market is affected by interest rate fluctuations. These transactions involve an exchange of cash collateral, with no foreseeable risk of the counterparty (CDP S.p.A., the parent company) becoming insolvent, which would disrupt hedge accounting.

At present, IRS are not being used to hedge future issuances that could be affected by an increase in interest rates. The bond issued in October 2022 and the one issued in September 2024 are fixed-rate bonds, with a bullet repayment due at maturity (October 2027 and September 2031).

Due to the nature of its operations, CDP RETI is exposed to liquidity risk, defined as the risk that the Company may be unable to meet its payment obligations as a result of an inability to obtain new funding or to realise assets on the market.

The management of the CDP RETI liquidity risk is also aimed at maintaining cash and cash equivalents sufficient to meet expected commitments over a given time horizon (especially in light of the financial covenants under the existing loan agreements), as well as maintaining prudent liquidity reserves, sufficient to cope with any unexpected commitments. The company's cash flows, financing needs and liquidity requirements are generally monitored and managed in coordination with the parent company CDP S.p.A., with the aim of ensuring effective and efficient management of financial resources.

Based on the latest forecasts, CDP RETI S.p.A.'s income taxes and deferred taxation are not anticipated to show significant volatility; instead, growth is forecasted from 2027 onwards. As of 31 December 2025, there are no uncertainties regarding the recoverability of deferred tax assets.

With regard to the disclosures required by IFRS 8 regarding operating segments, please refer to the Notes to the consolidated financial statements – section “VIII – Operating Segments”.

Notwithstanding the above and despite the ongoing monitoring of the events by Management, it is not possible to rule out with absolute certainty, that the geopolitical context may have a negative impact on CDP RETI S.p.A., which at present, given the information available, cannot be reliably estimated.

More detailed information can be found in the specific sections under “IV - Information on Risks and Related Hedging Policies” of the Notes to the separate financial statements.

II. THE MAIN FINANCIAL STATEMENT ITEMS

The accounting principles adopted in the preparation of the separate financial statements of CDP RETI S.p.A. are consistent with the previous year, integrated with the approved amendments and in force from the 2025 financial year, as illustrated in section “1.1.2. General principles for the preparation” of the consolidated financial statements. With reference to the main financial statement items, reference should be made to the Consolidated Explanatory Notes, with the exception of the accounting principles relating to the treatment of equity investments in subsidiaries which is described below.

In any case, the accounting treatment of the main items in the separate financial statements of CDP RETI S.p.A. is shown below.

Equity investments

The equity investments held at 31 December 2025 are listed individually in Annex 1 “Analytical list of equity investments”, which is an integral part of these Notes to the financial statements.

Initial recognition of equity investments in subsidiaries, associates and joint ventures is at cost at the settlement date, including costs or income directly attributable to the transaction.

At every reporting date, objective evidence that the carrying value of the equity investments might not be fully recoverable is assessed.

Evidence of impairment, based on the existence of qualitative and quantitative indicators, as illustrated hereunder, and in accordance with the internal policies of the parent company CDP, differs where these involve equity investments in companies whose shares are or are not listed on active markets.

An impairment test is performed when the aforementioned indicators exist, in accordance with the provisions of IAS 36. This test is aimed at estimating the recoverable amount of the equity investment and comparing it with its carrying value to determine the recognition of any impairment losses.

The following are considered possible indicators of impairment:

- the recognition of losses¹⁰⁵ or significantly lower results than budgeted (or forecast in multi-year plans), if, after specific analyses, they are relevant due to their effects on the estimate of expected future cash flows in any impairment test preparation;
- Significant financial difficulties of the investee company and/or the likelihood that the investee company declares bankruptcy or undergoes other financial restructuring procedures;
- a carrying value of the equity investment in the separate financial statements that exceeds the carrying value, in the consolidated financial statements, of the net assets of the investment (including any goodwill);

¹⁰⁵ The recognition of losses may not be considered relevant if it is in line with the budget and/or strategic plan objectives of the equity investment (e.g. investments recently made); on the contrary, losses attributable to cases provided for by the Italian Civil Code (e.g. Articles 2446, 2447) are always considered relevant.

- The distribution of a dividend by the investee company that exceeds the total other comprehensive income (or overall profitability for financial companies) for the period¹⁰⁶.

With reference to listed equity investments, the following are also considered indicators of impairment:

- a reduction in the market value compared to the carrying value in the separate financial statements greater than 40%;
- a market price below the carrying value for a period of 24 months;
- a rating downgrade of at least four *notches* from the time when the equity investment was made, if assessed as relevant and significant, in conjunction with other available information¹⁰⁷.

The recoverable amount of the unit is the higher between fair value less costs of disposal and the value in use, being the present value of the future cash flows that the equity investment may generate, including the final disposal value of the investment. If the recoverable amount is lower than the carrying value and if there is persistent or significant impairment, the difference is recognised through profit or loss as an impairment loss. If the reasons that led to the recognition of the impairments cease to exist, the impairment losses are reversed, while recognising the effect of this adjustment in the income statement under "Income (expenses) from equity investments".

In assessing any reversals of impairment losses on assets previously impaired, as a general rule and unless specific circumstances apply, the recoverable amount of the asset is presumed to have increased significantly if:

- it exceeds the carrying amount by at least 5%; and
- the higher value is observed for at least three consecutive reporting dates.

These conditions are regarded as indicators that the criteria for a reversal of impairment are met.

The investor's interest in any losses of the investee that exceed the carrying value of the equity investment is recognised in a specific provision, to the extent that the investor is committed to meeting the legal or constructive obligations of the investee, or otherwise cover its losses.

The dividends are recognised when the investor has the right to receive payment for it (resolution to distribute dividends passed by the shareholders' meeting of the investee or the board of directors, if an advance on the dividend is received). The dividends resolved by the subsidiaries are recognised in the income statement when they are resolved and recognised as financial income regardless of the nature of the distributed reserves (equity or profit reserves and, in this latter case, even when these profits derive from the distribution of profit reserves that were established before the acquisition of the equity investment). In any event, considering that the distribution of those reserves represents an event implying a reduction in the value of the equity investment, the Company verifies the recoverability of the carrying value of the equity investment and, if appropriate, recognises an impairment.

Equity investments are derecognised when the contractual rights to the cash flows from the assets expire or when the financial asset is sold, substantially transferring all risks and rewards connected with it.

Cash and cash equivalents

Cash and cash equivalents include on-demand or near-term deposits, as well as short-term, highly liquid investments that are readily convertible to a known amount of cash and are subject to an insignificant risk of changes in value. These are measured at fair value.

Financial liabilities measured at amortised cost

This category includes loans granted to the company by the parent company or by banking institutions, specifically the Term Loan subscribed in November 2024, maturing in November 2029, as well as the issuance of two bonds, made in October 2022 and September 2024, both listed on the regulated market of the Irish Stock Exchange (Euronext Dublin Regulated Market). Financial liabilities hedged by derivatives aimed at hedging the risk of changes in cash flows (cash flow hedge derivatives) continue to be measured at amortised cost, in accordance with the procedures set out in IAS 39 for hedge accounting. Financial liabilities other than derivative instruments are recognised when the Company becomes a party to the contractual provisions of the instrument and are initially measured at fair value adjusted for directly attributable transaction costs. The financial liabilities are subsequently measured at amortised cost, using the effective interest rate method. Financial liabilities are derecognised when settled or when the contractual obligation has been satisfied, cancelled or has expired. When an existing financial liability is replaced by another to the same creditor on substantially different terms, or the terms of an existing liability are substantially modified, that replacement or modification is treated as a derecognition of the original liability and a recognition of a new liability. The difference between the respective carrying amounts is recognised through profit or loss.

¹⁰⁶ The indicator takes into account the distribution of a dividend greater than the other comprehensive income result (or overall profitability for financial institutions) on which the dividend is paid (for instance, dividends declared in 2024, representing the distribution of net profit for 2023, that exceed the total other comprehensive income for 2023).

¹⁰⁷ The downgrade of the equity investment's credit rating is not, in itself, evidence of impairment, although it may be an indication to that effect; therefore, such a trigger is considered relevant only when activated together with at least another impairment trigger.

Hedging derivatives and hedge accounting

As permitted by IFRS 9, the Company has chosen to continue to apply the hedge accounting provisions of IAS 39 instead of the provisions of IFRS 9.

The derivatives entered into by the Company are for the purpose of hedging the exposure to interest rate risk. More specifically, in November 2024, the Company entered into two derivatives with the parent company CDP S.p.A. to hedge against the risk of changes in the cash flow of the hedged instruments (cash flow hedge).

Derivatives, including embedded derivatives, are assets and liabilities recognised at fair value. A derivative is a financial instrument or other contract:

- whose value changes in relation to variations in a parameter defined as the “underlying”, such as an interest rate, security or commodity price, foreign exchange rate, index of prices or rates, credit rating or another variable;
- that requires an initial net investment of zero, or less than what would be required for contracts with a similar response to changes in market conditions;
- that is settled at a future date.

In accordance with the provisions of IAS 39, in order to classify a transaction as a fair value hedge or a cash flow hedge, formal documentation is prepared at the inception of the hedge that describes the risk management strategies and objectives and identifies the hedging instrument, the instrument hedged, the nature of the hedged risk and how it will be assessed to determine whether the hedging relationship meets the hedge effectiveness requirements¹⁰⁸. When derivative financial instruments qualify for hedge accounting, the following accounting treatments apply:

- Fair value hedge – If a derivative financial instrument is designated as a hedge against the risk of changes in the *fair value* of a hedged asset or liability (e.g. hedging the fair value movement of fixed-rate assets/liabilities), the gain or loss arising from the subsequent changes in the fair value of the hedging instrument is recognised through profit or loss. Accordingly, the gain or loss arising from the fair value adjustment of the hedged item, for the part attributable to the hedged risk, impact on its carrying value and as such, it is recognised through profit or loss.
- Cash flow hedge – If a derivative financial instrument is designated as a cash flow hedge against the movement in exposure of an asset or liability recorded on the balance sheet or of a highly probable expected transaction, the effective portion of the gains or losses arising from the fair value adjustment of the derivative instrument is recognised in a specific equity reserve (Valuation reserves – CFH reserve). The accumulated profit or loss is derecognised from the equity reserve and accounted for in the separate income statement in the same periods in which the effects of the hedged transaction are recognised through profit or loss. The gain or loss derived from the ineffective hedge is recorded in the separate income statement as soon as it arises. If the hedged transaction is no longer considered likely, unrealised gains or losses accounted for in the equity reserve are recognised immediately in the separate income statement.

Financial income and expenses

Financial income and expenses are recognised on an accrual basis and include interest accrued on related financial liabilities using the effective interest rate method.

Income taxes (current and deferred taxes)

Income taxes include all taxes calculated on the Company’s taxable income using all elements and information available at the balance sheet date, taking into account the laws and regulations in force and also considering and including in the valuations all elements that may cause uncertainties in the determination of the amounts payable to the Treasury, as required by IFRIC 23.

Current income taxes are calculated, according to a prudent interpretation of current tax regulations in force, on the basis of the estimated taxable income. Income taxes are recognised in the income statement, with the exception of those relating to items directly charged or credited to an equity reserve; in such cases the related tax effect is recognised directly in the respective equity reserves.

With regard to corporate income tax (IRES), CDP RETI has exercised, as a consolidated entity, the option for the National fiscal consolidation regime along with its parent company CDP S.p.A. The rules for participation in the group taxation regime specify, inter alia, that subsidiaries with taxable income must pay the tax owed to the parent company CDP S.p.A. This taxable income is adjusted to take into account the recovery – based on the group’s capacity – of negative components that would have been non-deductible without the consolidation (e.g. interest expense).

Deferred income tax assets and liabilities are calculated on the temporary differences between the values of the assets and liabilities recognised in the financial statements and the corresponding values recognised for tax purposes based on the rates and regulations, applicable in the years when the temporary difference will reverse, approved at the end of the reporting financial year. Deferred tax assets are recognised when their recovery is considered likely and their recoverability is verified at least annually. When the results of operations are recognised directly in equity, the current taxes and the deferred tax assets and liabilities are also recognised in equity.

¹⁰⁸ Changes in value of derivative instruments for which a hedging relationship has not been designated since initial recognition, are recognised directly in the income statement.

Tax assets and liabilities are offset, separately for current taxes and deferred taxes, when there is a statutory right to do so.

II - INFORMATION ON THE BALANCE SHEET

I. ASSETS

Non-current assets

1. Property, plant and equipment

Below are shown a breakdown and changes in property, plant and equipment, which as at 31 December 2025 had a net value of 19 thousand euro attributable to the right of use of leased assets (RoU)¹⁰⁹, this being lower than the previous year due to the depreciation charged during the year calculated on a constant basis. In detail, the item includes the value of the right of use following the signing of the lease agreement in the last quarter of 2020, relating to parts of the property located at Via Alessandria, 220 (Rome), owned by the Fondo FIV Comparto Plus from 9 February 2023 (the date of the property transfer from CDP IMMOBILIARE S.r.l.). For more details on the lease agreement in place as at 31 December 2025, please refer to section "X.1 Lessee".

The property is used for office and management purposes.

See section "X – Disclosure of leases" for additional information on the accounting method and note 13 "Loans" for the impact on liabilities connected to leased assets.

Property, plant and equipment: breakdown

(euro)	31/12/2025			31/12/2024		
	Gross amount	Provision for amortisation, depreciation and impairment	Net value	Gross amount	Provision for amortisation, depreciation and impairment	Net value
Items/Figures						
Assets under development and advances						
Right of use acquired under leases ex IFRS 16						
Buildings	167,783	(149,186)	18,597	167,783	(121,593)	46,189
Plant and equipment						
Other plant and equipment						
Other assets						
Assets under development and advances						
Total	167,783	(149,186)	18,597	167,783	(121,593)	46,189

¹⁰⁹ Right of Use i.e. the right (on the part of the Lessee) to use an asset for a specified period of time in return for a consideration paid to the Lessor. To this end, it is noted that the adoption of the new IFRS 16 (Leases) from 1 January 2019 requires lease contracts to be recorded by recognising a financial liability in the balance sheet, equal to the present value of future lease payments, upon recognition under assets of the right of use of the leased asset.

Property, plant and equipment: changes for the year

(euro)	Buildings	Plant and equipments	Other plant and equipment	Other assets	Assets under development and advances	Total
Items/Figures						
Gross opening balance	167,783					167,783
<i>of which Right of use IFRS 16</i>	167,783					167,783
Provision for amortisation, depreciation and impairment - opening balance	(121,593)					(121,593)
<i>of which Right of use ex IFRS 16</i>	(121,593)					(121,593)
Net opening balance	46,189					46,189
<i>of which Right of use IFRS 16</i>	46,189					46,189
Gross amount: change for the period	46,189					46,189
Investments						
<i>of which Right of use IFRS 16</i>						
Provision for amortisation, depreciation and impairment: change for the period						
Depreciation for the period	(27,593)					(27,593)
<i>of which Right of use IFRS 16</i>	(27,593)					(27,593)
Other changes						
<i>of which Right of use IFRS 16</i>						
Provision for amortisation, depreciation and impairment - closing balance	(149,186)					(149,186)
<i>of which Right of use IFRS 16</i>	(149,186)					(149,186)
Net closing balance	18,597					18,597
<i>of which Right of use IFRS 16</i>	18,597					18,597

2. Intangible assets

The following table illustrates the breakdown and changes in intangible assets as at 31 December 2025, entirely relating to “*Concessions, licenses, trademarks and similar rights*”. The gross value, amounting to 93 thousand euro, includes costs incurred to purchase owned software applications and user licences and costs related to the design and implementation phase. As at 31 December 2025, the item is fully amortised following the recognition, during the year, of the final amortisation charges.

It should be noted that during 2025 the Company did not carry out transactions involving Cryptocurrencies – Crypto Activities.”

Intangible assets: breakdown

(euro)	31/12/2025			31/12/2024		
	Gross amount	Provision for amortisation, depreciation and impairment	Net value	Gross amount	Provision for amortisation, depreciation and impairment	Net value
Goodwill						
Industrial patent and intellectual property rights						
Concessions, licenses, trademarks and similar rights	92,966	(92,966)		92,966	(82,178)	10,789
Other intangible assets						
Assets under development and advances						
Total	92,966	(92,966)		92,966	(82,178)	10,789

Intangible assets: changes for the year

(euro)	Industrial patent and intellectual property rights	Concessions, licenses, trademarks and similar rights	Other intangible assets	Assets under development and advances	Total
Items/Figures					
Gross opening balance		92,966			92,966
Provision for amortisation, depreciation and impairment - opening balance		(82,178)			(82,178)
Net opening balance		10,789			10,789
Gross amount: change for the period					
Investments					
Transfers					
Disposals					
(Write-downs)/Writebacks					
Other changes					
Reclassifications					
Provision for amortisation, depreciation and impairment - change for the period					
Depreciation for the period		(10,789)			(10,789)
Disposals					
(Writedowns)/Writebacks					
Other changes					
Reclassifications					
Gross closing balance		92,966			92,966
Provision for amortisation, depreciation and impairment - closing balance		(92,966)			(92,966)
Net closing balance					

3. Equity investments

The net amount of this item refers to the value of the controlling equity investments that CDP RETI S.p.A. ("CDP RETI" or "Company") holds in Snam S.p.A. ("Snam"), Terna S.p.A. ("Terna") e Italgas S.p.A. ("Italgas").

Impairment test on equity investments

At each reporting date, CDP RETI assesses the presence of the impairment indicators required by IAS 36 and supplementary indicators, where applicable, also considering the guidance provided by national and international supervisory authorities on financial reporting profiles related to risks, uncertainties, estimates, assumptions and valuations, as well as the difficulties connected with the current reference context characterised by a combination of factors linked to heightened geopolitical tensions, connected with the continuation of the war in Ukraine and accentuated by events in the Middle East, which continue to weigh on the global outlook, the tightening of monetary policy conditions, the general deterioration of the economic climate and uncertainties on future developments.

In particular, in light of what has been described above, it should be noted that for the purposes of the estimates, data relative to quotations and market parameters have been used, which are subject to fluctuations, even significant ones, due to the persistent turbulence and volatility of the markets, connected to the tensions of the international geo-political situation and the uncertainty of the macroeconomic scenario (e.g. the evolution of the inflationary scenario and consequent monetary policy strategies of the central banks).

Therefore, there is still a need to constantly monitor the evolution of these elements in the current context.

In addition, in carrying out impairment tests, CDP RETI also considers the indications of the sector authorities on the financial reporting profiles relating to risks, uncertainties, estimates, assumptions and valuations.

When impairment indicators are identified (provided for in IAS 36 and the supplementary indicators), the recoverable amount is verified, considering the higher of fair value (net of disposal costs) and value in use. The fair value of the existing equity portfolio is determined on the quoted price¹¹⁰. The value in use estimate (understood as the present value of the

¹¹⁰ More specifically, on the basis of the weighted average price for the traded volumes recorded in the month preceding the reference date of the valuation.

future cash flows that the equity investment is expected to generate) is determined based on valuation practices deemed to be in line with the best practices identified on a case-by-case basis. The recoverable amount of the equity investments recorded in the balance sheet was estimated - in the presence of impairment indicators - by calculating the fair value. Specifically, as of 31 December 2025, no impairment triggers were identified for any of the equity investments held.

Equity investments: breakdown

(euro)		
Names	31/12/2025	31/12/2024
Italgas SpA	885,824,979	621,032,150
Snam S.p.A.	3,086,832,662	3,086,832,661
Terna SpA	1,315,200,000	1,315,200,000
Total	5,287,857,641	5,023,064,811

The significant increase compared with 2024 is mainly attributable to Italgas's capital increase (for further details, please refer to section "2. SIGNIFICANT EVENTS DURING THE FINANCIAL YEAR BY SECTOR/ACTIVITY" of the Consolidated Report on Operations).

Equity investments in subsidiaries, joint operations and companies subject to significant influence: information on investments

Names	Registered office	% holding at 31/12/2025
1. Italgas S.p.A.	Milan	25.94%
2. Snam S.p.A.	San Donato Milanese (MI)	31.35%
3. Terna S.p.A.	Rome	29.85%

With reference to the shareholding held by CDP RETI, it should be noted that on 12 February 2025, in implementation of the incentive plan known as the "2021–2023 Co-investment Plan" - approved by the Ordinary and Extraordinary Shareholders' Meeting held on 20 April 2021 - and following the decision of the Italgas Board of Directors to grant, free of charge, a total of 511,604 new ordinary shares of the Company to the beneficiaries of the Plan (the so-called second cycle of the Plan) and to commence the execution of the second tranche of the capital increase approved by the aforementioned Shareholders' Meeting, CDP RETI's interest in Italgas decreased from 25.98% to 25.96%.

Furthermore, on 6 November 2025, Italgas announced to the market the completion of the first cycle of the Dispersed ownership structure plan promoted by the Company for the 2025–2027 period. As a result of the participation of almost two out of three employees (among the eligible employees of the Italgas Group), CDP RETI's stake in Italgas decreased from 25.96% to 25.94%.

Equity investments in subsidiaries, joint operations and companies subject to significant influence: accounting information

(millions of euro)						
Names	Total assets (1)	Total revenues (1)	Net income (loss) (1)	Equity (1)	Carrying amount	Type of transaction
Italgas	18,892	3,589	706	4,166	886	Control
Snam	37,000	3,885	1,267	9,278	3,087	Control
Terna	29,983	4,033	1,114	7,813	1,315	Control

(1) Data from the 2025 Annual Report - Consolidated Financial Statements

The table below shows the changes in equity investments:

Equity investments: changes for the year

(euro)		31/12/2025	31/12/2024
Items/Figures			
A. Opening balance		5,023,064,811	5,023,064,811
B. Increases		264,792,830	
B.1 Purchases		264,792,830	
B.2 Writebacks			
B.3 Revaluations			
B.4 Other increases			
C. Decreases			
C.1 Sales			
C.2 Writedowns			
C.3 Other decreases			
D. Closing balance		5,287,857,641	5,023,064,811
E. Total revaluations			
F. Total impairments			

The share certificates (dematerialised) of equity investments in Italian subsidiaries held by CDP RETI. are kept at the premises of the parent company CDP S.p.A. based on a securities custody and administration deposit contract signed by the parties.

4. Non-current financial assets

"Non-current financial assets" represents the fair value (classified at level 2) of the Cash Flow Hedge derivative contracts entered into by the Company to hedge the interest rate risk of the entire Term Loan 2024. The purpose of the hedge executed in 2024, as in the past for previous Term Loans, was to convert the variable interest rate into a fixed rate through the execution of two interest rate swap (IRS) transactions hedging the first and second drawdowns of the loan¹¹¹. In this regard, it should be noted that the 2024 transaction forms part of a refinancing strategy which involved the repayment of two Term Loans (937 million and 253 million euro signed in 2020 and 2023, respectively) along with their related IRS derivatives, by issuing a new Bond in September 2024 and taking on a new Term Loan in November 2024.

By the end of 2025, both of the aforementioned new IRS derivatives had a positive mark-to-market value, amounting to 3,168 thousand euro and 2,117 thousand euro, respectively. The increase (+4 million euro) compared with 31 December 2024 (when the overall valuation was positive for 1 million euro) is mainly due to the improvement, driven by interest rate movements, in the combined mark-to-market (fair value) of the two IRS derivatives. For further details regarding the impacts on the income statement, please refer to the respective sections of the separate financial statements of CDP RETI "24. Financial income" and "25. Financial expenses".

The characteristics of IRS derivatives are described in the Report on Operations of CDP RETI., within the Net financial debt and cash flows section.

(euro)	31/12/2025				31/12/2024			
Items/Figures	Carrying amount	L1	L2	L3	Carrying amount	L1	L2	L3
Hedging derivatives								
Hedging derivatives	5,284,290		5,284,290		1,195,840		1,195,840	
Total	5,284,290		5,284,290		1,195,840		1,195,840	

5. Deferred tax assets

Below are shown a breakdown and changes of the "Deferred tax assets" recognised in the Balance Sheet as of 31 December 2025 amounting to 344 euro (448 euro as of 31 December 2024).

¹¹¹ Specifically, the two derivative contracts were signed to hedge the first drawdown of 345 million euro (at a fixed rate of 3.383%) received on 19 November 2024, and the second drawdown of 255 million euro (at a fixed rate of 3.406%) received on 25 November 2024.

Deferred tax assets: breakdown

(euro)		31/12/2025	31/12/2024
Items/Figures			
Deferred tax assets recognized in PL		344	448
Deferred tax assets recognized in equity			
Total		344	448

Deferred tax assets with impact on the income statement are calculated on temporary differences between accounting and tax values that will become deductible in years following that in which they are recognised.

The following tables indicate the change in deferred tax assets during the financial year:

Change in deferred tax assets (recognised in the income statement)

(euro)		31/12/2025	31/12/2024
Items/Figures			
1. Opening balance		448	542
2. Increases		2	
2.1 Deferred tax assets recognised during the year		2	
a) in respect of previous periods			
b) due to change in accounting policies			
c) writebacks			
d) other		2	
2.2 New taxes or increases in tax rates			
2.3 Other increases			
3. Decreases		106	94
3.1 Deferred tax assets derecognised during the year		106	94
a) reversals		106	94
b) writedowns for supervening non-recoverability			
c) due to change in accounting policies			
3.2 Reduction in tax rates			
3.3 Other decreases			
4. Closing balance		344	448

(euro)		31/12/2025	31/12/2024
Items/Figures			
1. Opening balance			1,133,685
2. Increases			
2.1 Deferred tax assets recognised during the year			
a) in respect of previous periods			
b) due to change in accounting policies			
c) others			
2.2 New taxes or increases in tax rates			
2.3 Other increases			
3. Decreases			1,133,685
3.1 Deferred tax assets derecognised during the year			1,133,685
a) reversals			1,133,685
b) writedowns for supervening non-recoverability			
c) due to change in accounting policies			
d) other			
3.2 Reduction in tax rates			
3.3 Other decreases			
4. Closing balance			

Current assets

6. Other current assets

The following table shows the breakdown of “Other current assets”, which as at 31 December 2025 amounted to 127,346 thousand euro (122,489 thousand euro as at 31 December 2024):

Other current assets: breakdown

(euro)		
Items/Figures	31/12/2025	31/12/2024
Receivables from Snam for interim dividend	127,286,009	122,439,025
Other current assets	59,768	50,042
Total	127,345,777	122,489,067

As at 31 December 2025, the Company recognised the receivable from Snam relating to the 2025 interim dividend approved by the Board of Directors on 5 November 2025 in the amount of 0.1208 euro per share as “Other current assets”. CDP RETI received the advance on 21 January 2026. The amount increased compared to the previous year (+4.8 million euro) as a result of the dividend policy of the subsidiary Snam.

The other current assets primarily relate to the deferral of costs recognised in the financial year but pertaining to the following year (33 thousand euro) and the VAT receivable (16 thousand euro), resulting from the net effect between the VAT advance (24 thousand euro) and the VAT payable for December 2025 (8 thousand euro).

7. Cash and cash equivalents

CDP RETI’s cash and cash equivalents amounted to 96 million euro representing a decrease of 12 million euro compared with the comparative period. For the detailed cash flows analysis, please refer to the Cash Flow Statement and the Report on Operations in the separate financial statements.

Under IFRS 9, cash and cash equivalents are tested for impairment, the result of which has led to an immaterial and negligible value.

The table below summarises the cash and cash equivalents as at 31 December 2025, represented by the interest-bearing unrestricted deposit held by the parent company CDP and bank current accounts. The balances in the table below include accrued interest that has not yet been settled.

Cash and cash equivalents: breakdown

(euro)		
Items/Figures	31/12/2025	31/12/2024
Deposit with CDP	80,828,866	85,610,958
Banks	15,545,317	23,120,080
Total	96,374,183	108,731,038

II. LIABILITIES

Equity

8. Share capital

Share capital: breakdown

(euro)		
Items/Figures	31/12/2025	31/12/2024
Share capital	165,971	161,514
Total	165,971	161,514

As at 31 December 2025, the share capital consisted of 6,638,832 shares with no nominal value, all fully paid up. Compared to 31 December 2024, the total number of shares representing the share capital (161,514 at the end of 2024) has changed as a result of the capital increase of CDP RETI.

During the year there were no changes to the ownership structure, which therefore remains unchanged and is made up of three different categories of share, each granting different rights in terms of the Company's governance.

Share capital: categories of shares

Member / Number of shares / %	Share category A	Share category B	Share category C	%
CDP	3,923,682			59%
State Grid Europe Limited		2,323,595		35%
Foundations and Savings Banks			391,555	6%
Total	3,923,682	2,323,595	391,555	100%

9. Reserves

At the end of the year the company reported the following "Reserves":

Reserves: breakdown

(euro)		31/12/2025	31/12/2024
Items/Figures			
Income reserves		24,354,315	24,354,113
<i>Legal reserve</i>		32,303	32,303
<i>Retained earnings (losses carried forward)</i>		24,322,012	24,321,810
Share premium reserve		1,581,083,528	1,315,158,486
Reserve for shareholder payments for investments		2,029,920,022	2,029,920,022
Total		3,635,357,865	3,369,432,621

The increase of 265,925 thousand euro in total reserves is almost entirely attributable to the share premium reserve, following the share capital increase completed in the first half of 2025. For further details, please refer to section "2. SIGNIFICANT EVENTS DURING THE YEAR BY SECTOR/ACTIVITY" of the Consolidated Report on Operations.

The item "Reserve for shareholder payments for investments" includes the residual value of the payment made by CDP to fund the purchase of the equity investment in Snam.

At 31 December 2025, the Company did not hold treasury shares directly or indirectly through its subsidiaries or intermediaries.

Information required by Article 2427, point 7-bis, of the Italian Civil Code on the individual details of equity items is given, specifying their origin, possible use and possible distribution.

Statement pursuant to Article 2427 of the Italian Civil Code

(euro)	Balance at	Possible	Amount
Items/Figures	31/12/2025	uses (*)	available
Share capital	165,971		
Reserves			
- Legal reserve	32,303	B	32,303
- Retained earnings	24,322,012	A, B, C	24,322,012
- Share premium reserve (**)	1,581,083,528	A, B	
- Shareholder payments for investments	2,029,920,022	A, B, C	2,029,920,022
Valuation reserves			
- CFH reserve	3,787,969		
Advances on dividends	(393,815,514)		
Total	3,245,496,291		2,054,274,337

(*) A = capital increase; B = loss coverage; C = distribution to shareholders

(**) Pursuant to Article 2431 of the Civil Code, "Amounts received by the company for the issue of shares at a price higher than their nominal value, including those deriving from the conversion of bonds, cannot be distributed until the legal reserve has reached the limit established by Article 2430."

10. Valuation reserves

The item "Valuation Reserves" shows a balance, net of deferred tax, of 3,788 thousand euro as a result of the valuation of the cash flow hedge derivatives on the outstanding financing as of 31 December 2025, which was entered into by the Company in November 2024.

The balance increased overall by 3,206 thousand euro, mainly attributable to the higher mark-to-market of the two derivatives recognised in other comprehensive income.

Valuation reserves: Breakdown

(euro)		
Items/Figures	31/12/2025	31/12/2024
Valuation reserves CFH Swap	3,787,969	581,914
Total	3,787,969	581,914

11. Interim dividends

Having satisfied the requirements of Article 2433-bis of the Italian Civil Code, in November 2025 the company resolved to distribute an interim dividend for the 2025 financial year amounting to 59.32 euro per share, totalling 393,815,514 euro, to be paid by 28 November 2025.

Interim dividends: breakdown

(euro)		
Items/Figures	31/12/2025	31/12/2024
Interim dividend	(393,815,514)	(361,865,656)
Total	(393,815,514)	(361,865,656)

Non-current liabilities

12. Provisions for employee benefits

As of 31 December 2025, the Company records employee benefit provisions within non-current liabilities, amounting to 36,928 euro, related to the severance payment fund, accrued in accordance with the relevant regulations.

The balance of the provision increased compared to the previous financial year as a result of the amounts set aside in the period.

For more details on the composition of the workforce, please refer to section “3. Organisational structure” as detailed in the “Group’s Report on Operations”.

Staff severance pay: annual changes

(euro)		
Items/Figures	31/12/2025	31/12/2024
A. Opening balance	22,074	9,643
B. Increases	14,854	12,431
B.1 Allocation in the year	14,854	12,431
B.2 Other increases		
C. Decreases		
C.1 Payments made		
C.2 Other decreases		
D. Closing balance	36,928	22,074

13. Long-term loans

The total medium/long-term “Loans” including both the current and non-current portions amount to 1,705 million euro as at 31 December 2025 (1,702 million euro as at 31 December 2024). Please refer to Note 15. “Current portion of loans payable” for a detailed analysis of the outstanding debt balance as at 31 December 2025.

The loans breakdown, by structure, is shown in the following table.

Loans Payable (Current and Non-Current)

(euro) Items/Figures	31/12/2025		31/12/2024	
	Non current	Current	Non current	Current
Bond 2022	498,494,251	5,377,391	497,782,350	5,377,391
Bond 2024	592,447,545	7,516,438	591,315,992	7,516,438
Lease liability		22,452	22,452	28,739
Term loan 2024	598,073,170	3,072,534	597,626,949	2,599,798
Total	1,689,014,966	15,988,815	1,686,747,742	15,522,365

As at 31 December 2025, the non-current portion of loans amounting to 1,689 million euro included:

- the non-current portion of the unsubordinated and unsecured fixed-rate bond for a nominal value of 500 million euro issued by CDP RETI in October 2022;
- the non-current portion of the unsubordinated and unsecured fixed-rate bond for a nominal value of 600 million euro issued by CDP RETI in September 2024;
- the non-current portion of the Term Loan subscribed in November 2024, with a nominal value of 600 million euro.

As for the breakdown of the non-current portion of the financing liabilities by creditor type, please refer to the table below:

Non-current loans: breakdown by type of creditor

(euro) Items/Figures	31/12/2025			31/12/2024		
	CDP	Pool of Banks	Others	CDP	Pool of Banks	Others
Bond 2022	149,548,276	319,036,321	29,909,655	149,334,705	318,580,704	29,866,941
Bond 2024	45,075,384	513,059,574	34,312,587	44,989,292	516,760,901	29,565,800
Lease liability						22,452
Term loan 2024		598,073,169			597,626,949	
Total	194,623,660	1,430,169,064	64,222,242	194,323,997	1,432,968,553	59,455,193

For more information on the maturity analysis of loans, please refer to Liquidity and Credit Risk in Section "IV - Information on Risks and Related Hedging Policies" of the Notes to the Separate Financial Statements.

14. Deferred tax liabilities

Deferred tax liabilities of 3,118 thousand euro (1,714 thousand euro as at 31 December 2024) are broken down as follows:

Deferred tax liabilities: breakdown

(euro) Items/Figures	31/12/2025	31/12/2024
Deferred tax liabilities recognized in equity	1,590,377	244,316
Deferred tax liabilities recognized in PL	1,527,432	1,469,269
Total	3,117,809	1,713,585

As at 31 December 2025, the balance of "Deferred tax liabilities recognised in equity", amounting to 1,590 thousand euro and relating to Interest Rate Swap (IRS) derivative contracts hedging the interest rate risk on the loan entered into in November 2024, increased compared with the balance recorded in the previous year (+1,346 thousand euro) as a result of the positive change in the fair value of the underlying instrument.

Deferred tax liabilities recognised in the income statement originate from the recognition of tax on the 2025 interim dividend approved by Snam in November 2025 and paid on 21 January 2026.

The table below shows the changes in deferred tax liabilities.

Deferred tax liabilities recognised in Equity: changes

(euro)		
Items/Figures	31/12/2025	31/12/2024
1. Opening balance	244,316	12,635,486
2. Increases	1,346,061	244,316
2.1 Deferred tax liabilities recognised during the year	1,346,061	244,316
a) in respect of previous periods		
b) due to change in accounting policies		
c) others	1,346,061	244,316
2.2 New taxes or increases in tax rates		
2.3 Other increases		
3. Decreases		12,635,486
3.1 Deferred tax liabilities derecognised during the year		12,635,486
a) reversals		12,635,486
b) writedowns for supervening non-recoverability		
c) due to change in accounting policies		
d) other		
3.2 Reduction in tax rates		
3.3 Other decreases		
4. Closing balance	1,590,377	244,316

Deferred tax liabilities recognised in the Income Statement: changes

(euro)		
Items/Figures	31/12/2025	31/12/2024
1. Opening balance	1,469,269	1,426,278
2. Increases	1,527,432	1,469,269
2.1 Deferred tax liabilities recognised during the year	1,527,432	1,469,269
a) in respect of previous periods		
b) due to change in accounting policies		
c) others	1,527,432	1,469,269
2.2 New taxes or increases in tax rates		
2.3 Other increases		
3. Decreases	1,469,269	1,426,278
3.1 Deferred tax liabilities derecognised during the year	1,469,269	1,426,278
a) reversals	1,469,269	1,426,278
b) writedowns for supervening non-recoverability		
c) due to change in accounting policies		
d) other		
3.2 Reduction in tax rates		
3.3 Other decreases		
4. Closing balance	1,527,432	1,469,269

Current liabilities

15. Current loans

This item includes the current portion of the loans described above, i.e., almost the entire amount of interest and the coupons maturing and expiring within the following financial year, as well as, for the remaining part, the lease liabilities due within the following year. The table below shows the breakdown of the item at 31 December 2025:

Current loans: breakdown by type of creditor

(euro)						
Items/Figures	31/12/2025			31/12/2024		
	CDP	Pool of Banks	Others	CDP	Pool of Banks	Others
Bond 2022	1,613,217	3,441,530	322,643	1,613,217	3,441,530	322,643
Bond 2024	571,876	6,568,741	375,822	571,876	6,568,741	375,822
Lease liability			22,452			28,739
Term loan 2024		3,072,533			2,599,798	
Total	2,185,093	13,082,804	720,917	2,185,093	12,610,068	727,204

The balance of the item, amounting to 15,989 thousand euro, is broadly in line with the previous financial year. For further details, please refer to section “13. Current Loans” and paragraph “1.4 Net financial debt and cash flows” in the Report on Operations.

16. Trade payables

Trade payables as at 31 December 2025 mainly consist of amounts due to suppliers for services received and are composed as follows:

Trade payables: breakdown

(euro)		
Items/Figures	31/12/2025	31/12/2024
Trade payables	613,047	11,435
Trade payables for invoices to receive	79,652	301,729
Total	692,699	313,164

The increase in the item (380 thousand euro) as at 31 December 2025 is mainly attributable to invoices received for consultancy services related to the Italgas share capital increase, which had not yet been financially settled at year-end.

17. Current financial liabilities

Current financial liabilities recognised in the financial statements as at 31 December 2025 amounted to 4 million euro and relate to the liability towards the parent Company CDP under the CSA guarantee agreement entered into in connection with the subscription of derivatives hedging cash flows.

Furthermore, it is noted that as at 31 December 2025 the Company had no credit facilities available. For information on financial covenants, see the paragraph “Default risk and debt covenants” in section “IV - INFORMATION ON RISKS AND RELATED HEDGING POLICIES” of the separate financial statements.

(euro)		
Items/Figures	31/12/2025	31/12/2024
Loans to CDP for CSA	4,000,000	
Total	4,000,000	

18. Other current liabilities

Other current liabilities relate to short-term payables falling due within the financial year following the reporting date. The balance primarily represents amounts due to the Parent Company CDP, mainly related to the estimated tax consolidation payable as of 31 December 2025 (756 thousand euro), as outlined below. The remaining liabilities relate to other payables due to CDP and CDP Equity S.p.A. in connection with existing supply contracts (so-called service agreements) and employees seconded to CDP RETI, payables due to the Board of Statutory Auditors and Supervisory Body, payables for the remuneration of members of the Board of Directors to be paid to CDP and SGEL and tax payables.

Other current liabilities: breakdown

(euro)		
Items/Figures	31/12/2025	31/12/2024
Tax payables	21,658	28,868
Payables to parent companies	1,562,294	3,175,644
Payables due to pension and social security institutions	15,445	17,404
Other payables	338,550	304,278
Total	1,937,947	3,526,194

The table below shows the breakdown of tax payables, consisting of the tax withheld by the Company on behalf of its employees and independent contractors, which is paid to the revenue authorities the month after being withheld.

Tax payables: breakdown

(euro)		
Items/Figures	31/12/2025	31/12/2024
Irpef withholdings on employees	20,099	18,884
Irpef withholdings on professionals	1,472	9,984
Other tax payables	87	
Total	21,658	28,868

The following table shows the breakdown of payables to the parent company, mainly relating to the tax consolidation liability arising in 2025 (756 thousand euro), resulting from the estimate as at 31 December 2025 of the taxable income transferred to the fiscal unit (6.7 million euro), partly offset by the advance payments made during 2025 (2.7 million euro) and by the estimated income from the tax consolidation (3.3 million euro) deriving from the remuneration of the excess non-deductible interest expenses, calculated on an individual basis and transferable to the tax consolidation. The balance is also mainly driven by contractual arrangements (so-called service agreements) with CDP and by the liability relating to personnel seconded from the parent company in order to provide the Company with all the expertise and services necessary for the proper conduct of its activities, recognised in the financial statements as at 31 December 2025.

Payables to parent companies: breakdown

(euro)		
Items/Figures	31/12/2025	31/12/2024
Administrative services	620,308	367,936
Seconded personnel	145,881	113,810
Payables to directors to pay to CDP	40,000	40,000
Other payables	756,105	2,653,899
Total	1,562,294	3,175,645

Payables to pension and social security institutions as at 31 December 2025 amounted to 15 thousand euro, in line with the previous year, and refer to payables to INPS recognised in December 2025 with reference to the fixed and variable remuneration of employees, as shown in the table below.

Payables to social security institutions: breakdown

(euro)		
Items/Figures	31/12/2025	31/12/2024
Payables to INPS	13,977	16,023
Payables to INAIL	1,468	1,381
Total	15,445	17,404

Other payables amounting to 339 thousand euro (304 thousand euro as at 31 December 2024) are broken down as follows.

Other payables: breakdown

(euro)		
Items/Figures	31/12/2025	31/12/2024
Due to company bodies	102,603	102,879
Outsourcing CDP Equity	13,419	
Payables to directors to pay to SGEL	40,000	40,000
Seconded personnel of CDP Equity	126,263	117,909
Payables to employees	53,571	40,179
Payables to pension fund	2,694	3,311
Total	338,550	304,278

Disclosures on the fair value measurement of financial instruments

Assets and liabilities measured at fair value on a recurring basis: breakdown by fair value level

(euro) Items/Figures	31/12/2025			31/12/2024		
	L1	L2	L3	L1	L2	L3
Non-current financial assets		5,284,290			1,195,840	
Current financial assets						
Cash and cash equivalents			96,374,183			108,731,038
Total		5,284,290	96,374,183		1,195,840	108,731,038
Non-current financial liabilities						
- Other financial liabilities						
Current financial liabilities						
- Current financial liabilities						
Total						

Assets and liabilities not measured at fair value or measured at fair value on a non-recurring basis: breakdown by fair value level

(euro) Items/Figures	31/12/2025				31/12/2024			
	CA	L1	L2	L3	CA	L1	L2	L3
Non-current								
Current assets								
- Current financial								
Total								
Non-current								
- Loans	1,689,014,966	1,140,460,000	611,852,385		1,686,747,742	1,144,071,000	602,093,938	22,452
Current								
- Current portion of loans	15,988,815	12,908,562	3,072,533	22,452	15,522,365	12,893,829	2,599,798	28,739
- Current financial liabilities	4,000,000			4,000,000				
Total	1,709,003,781	1,153,368,562	614,924,918	4,022,452	1,702,270,108	1,156,964,829	604,693,735	51,191

Other Information

Guarantees issued and commitments

The Company did not issue any guarantees or make commitments recognised in the memorandum accounts.

Assets pledged as collateral for own debts and commitments

No collateral or guarantees were pledged either directly or indirectly in the interest of third parties.

Owned securities deposited with third parties

The shares held by CDP RETI S.p.A. in Snam S.p.A. (1,053,692,127 shares), Terna S.p.A. (599,999,999 shares) and Italgas S.p.A. (263,423,030 shares) are held in custody with the parent company CDP.

III - INFORMATION ON THE INCOME STATEMENT

REVENUES

19. Other revenues and income

This item, with a balance of 18 thousand euro, broadly unchanged compared with 31 December 2024, relates to the recharge to State Grid International Development of costs incurred by CDP RETI for audit procedures performed by Deloitte & Touche S.p.A., following requests from State Grid International Development for the purposes of its consolidated financial statements.

Other revenues and income: breakdown

(euro)		
Items/Figures	2025	2024
Other income	17,923	17,723
Total	17,923	17,723

OPERATING COSTS

20. Services

Costs for services incurred in 2025, which amounted to 2,465 thousand euro (2,075 thousand euro in 2024), mainly relate to service contracts with CDP and costs for professional services received during the year (e.g., translation, legal, notary and audit services). The increase in the item is primarily due to higher consultancy costs associated with the Italgas capital increase completed in the 2025 financial year.

Services: breakdown

(euro)		
Items/Figures	2025	2024
Professional and financial services	1,662,082	1,242,524
Outsourcing CDP	703,255	699,567
General and insurance services	47,465	87,335
Utilities and other expenses	52,585	45,571
Total	2,465,387	2,074,998

The 2025 fees for the independent auditors Deloitte & Touche S.p.A., as provided by Article 149 - duodecies, paragraph 2, of Consob Resolution no. 11971 of 14 May 1999, as amended, are summarised below.

Independent auditors' fees:

(euro)		
Type of service/Values	Service Provider	Fees for the year
Auditing		76,328
Certification	Deloitte & Touche S.p.A.	39,186
Other services		
Total		115,514

21. Staff costs

Staff costs, which amounted to 983 thousand euro as at 31 December 2025 (943 thousand euro as at 31 December 2024), are broken down in the table below.

Staff costs: breakdown

(euro) Items/Figures	2025	2024
Employees	545,913	546,304
Other personnel in service		
Board of Directors and Board of Auditors	165,391	164,575
Retired personnel		
Recovery of expenses for employees seconded to other companies		
Reimbursement of expenses for third-party employees seconded to the Company	272,143	231,719
Total	983,447	942,598

For more details on the organisational structure, refer to paragraph "3.1. The organisational structure" in the Report on Operations of the Group.

Average number of employees

The average number of employees broken down by job category is illustrated in the following table:

Average number of employees

Items/Figures	2025	2024
Senior Managers		
Middle Managers	3	3
Office staff	2	1
Manual workers		
Total	5	4

22. Amortisation, depreciation and impairment of property, plant and equipment and intangible assets

The balance of "Amortisation, depreciation and impairment of property, plant and equipment and intangible assets", showing a slight decrease compared with the previous year due to the remaining depreciation charges on intangible assets, amounted to 38 thousand euro and is detailed in the table below.

Amortisation, depreciation and impairment of property, plant and equipment and intangible assets: breakdown

(euro) Items/Figures	2025				2024			
	Amortisation and depreciation (a)	Impairment adjustments (b)	Write-backs (c)	Net result (a+b+c)	Amortisation and depreciation (a)	Impairment adjustments (b)	Write-backs (c)	Net result (a+b+c)
Property, plant and equipment	27,593			27,593	27,668			27,668
- Owned								
- Right of use acquired under leases IFRS 16	27,593			27,593	27,668			27,668
Intangible assets	10,789			10,789	19,462			19,462
- Owned	10,789			10,789	19,462			19,462
- Right of use acquired under leases IFRS 16								
Total	38,381			38,381	47,130			47,130

The balance of the depreciation/amortisation item is made up of 28 thousand euro relating to the depreciation charge pursuant to IFRS 16 of the leased property located in Via Alessandria, while 11 thousand euro is the 2025 amortisation charge for the purchase of the license to use a software application.

23. Other operating costs

Other operating costs incurred by the Company in 2025 amounted to 8 thousand euro (79 thousand euro in 2024) and are broken down as follows.

Other operating costs: breakdown

(euro)		
Items/Values	2025	2024
AGCM Contribution	5,055	5,519
Taxes	2,686	3,105
Other operating costs	163	69,980
Total	7,904	78,604

The decrease in the item, amounting to approximately 71 thousand euro, is mainly attributable to legal advisory costs incurred in 2024 in connection with the execution of the 2024 Term Loan.

24. Financial income

As at 31 December 2025, "Financial income" amounted to 640,124 thousand euro (641,937 thousand euro as at 31 December 2024) and is broken down as follows.

Financial income: breakdown

(euro)		
Items/Figures	2025	2024
Interest income on deposit contract with CDP	4,655,780	9,600,616
Interest income on current bank account	14,512	11,256
Interest income on CFH	1,229,307	32,947,685
Dividends	634,224,346	581,423,658
Other interest income		17,954,081
Total	640,123,945	641,937,296

The item shows a slight decrease compared with 2024, reflecting the combined effect of the increase in dividends (+53 million euro), substantially offset by the reduction in interest on the irregular deposit with CDP (-5 million euro) and on Cash Flow Hedge (CFH) derivatives (-32 million euro, both as a result of interest rate movements during 2025 and the different composition of the financing), as well as the absence in 2025 of the positive effects recorded in 2024 following the recycling to the income statement of the residual value of the Cash Flow Hedge reserve (positive at the derivative's closing date for 17.9 million euro).

The breakdown of dividends to be distributed by the investee companies, as approved during the financial year, is shown in the following table.

Dividends: breakdown

(euro)		
Items/Figures	2025	2024
Italgas S.p.A. dividend	85,559,800	74,179,925
Snam S.p.A. dividend	310,944,546	300,723,733
Terna S.p.A. dividend	237,720,000	206,520,000
Total	634,224,346	581,423,658

All dividends were collected in the period, except for the 2025 interim dividend approved by Snam in November 2025, amounting to 127,286 thousand euro, which was collected in January 2026.

25. Financial expenses

"Financial expenses" relate mainly to interest expense for the period, as detailed in the table below.

Financial expenses: breakdown

(euro)		
Items/Figures	2025	2024
Interest on Bond 2022	30,086,902	30,118,092
Interest on Bond 2024	24,381,553	7,770,090
Interest on Term Facility 2020		38,041,566
Interest on Term Facility 2023		12,933,964
Interest on Term loan 2024	21,815,396	2,626,746
Other interest expense	239,977	5,239,047
Impairment losses on financial assets	(443)	(390)
Total	76,523,385	96,729,115

The item in question, despite the higher finance costs associated with the bond issued in 2024 (which, in the comparative period, generated costs only for the period from September to December), reflects, as already noted for financial income, both the reduction in interest rates and the different composition of the financing. It should also be noted that the 2024 financial year had been affected by the negative effects arising from the closure of the IRS hedging derivative on the 2023 Term Loan (also closed in 2024), following the recycling to the income statement of the residual balance of the CFH reserve (negative for 4 million euro). In any event, the reduction in finance costs, as analysed in the previous section, is more than offset by the decrease in financial income relating to the hedging derivatives on the financing.

The calculation of impairment losses on financial assets takes into account their rating, recovery rate and probability of default and is broken down as follows.

Impairment losses on financial assets

(euro)		
Items/Figures	2025	2024
Adjustments to financial assets:		
- recognised under cash and cash equivalents	443	390
- recognised under other current financial assets		
Total	443	390

INCOME TAXES, CURRENT AND DEFERRED TAXES

26 Income taxes (current and deferred taxes)

Taxes for the year 2025 recognised through profit or loss are detailed below.

Income taxes: breakdown

(euro)		
Items/Figures	2025	2024
1. Current taxes (-)	(3,441,748)	(2,656,825)
- of which income from participation in the tax consolidation mechanism	3,277,202	3,527,037
- of which cost from participation in the tax consolidation mechanism	(6,718,950)	(6,183,862)
2. Change in current taxes from previous years (+/-)	(27,971)	
3. Reduction of current taxes for the year (+)		
4. Change in deferred tax assets (+/-)	(104)	(93)
5. Change in deferred tax liabilities (+/-)	(58,164)	(42,991)
6. Taxes for the year (-) (-1+/-2+3+/-4+/-5)	(3,527,987)	(2,699,909)

Current taxes mainly reflect "charges from joining the tax consolidation", resulting from the following effects:

- The income from participation in the tax consolidation mechanism following the surplus of non-deductible interest on an individual basis, transferable to the tax consolidation¹¹², decreased, resulting in a negative tax impact compared to the previous year (+3.3 million euro versus 3.5 million euro in 2024);
- Tax consolidation charges (6.7 million euro), which increased due to the higher taxable income.

¹¹² As a result of joining, since 2013, the national fiscal consolidation scheme of the CDP Group, which allows the calculation of IRES on a consolidated basis for companies that have opted for group taxation, CDP RETI may transfer to the tax consolidation any excess non-deductible interest expenses determined on a stand-alone basis, provided that, and to the extent that, other entities participating in the tax consolidation report for the same tax period an excess of ROL transferable to the group. In exchange for the transfer of this interest expense, CDP RETI obtains a remuneration due to the lower IRES at group level set at 50% of the tax rate in force. The contract relating to the tax consolidation was renewed for the three-year period 2025-2027.

As a result of these net tax consolidation liabilities (3.4 million), the company has recognised a liability of the same amount to its parent company CDP.

The change in deferred tax liabilities refers to (i) the recognition of deferred tax liabilities on the 2025 dividend approved by Snam in November 2025 and yet to be collected at the end of the year; (ii) to the release of deferred tax liabilities relating to the 2024 interim dividend approved by Snam and collected in 2025.

The change in current taxes for previous years refers to the higher taxes recalculated when submitting the Company's 2024 tax return, following the lower amount of excess non-deductible interest expenses on an individual basis transferred to the tax consolidation.

The reconciliation between the theoretical and actual tax liability is shown below.

Reconciliation between theoretical and actual tax liability: IRES

(euro)	2025	Tax rate
Items/Figures		
Income (loss) before taxes	560,095,392	
IRES theoretical tax liability (rate 24%)	(134,422,894)	-24.00%
Increases in taxes	(18,426,897)	
- non-deductible temporary differences	(1,475,984)	-0.26%
- non-deductible permanent differences on interest expenses	(16,949,815)	-3.03%
- non-deductible permanent differences	(1,098)	0.00%
Decreases in taxes	149,408,043	
- dividends 95% exempt	144,603,302	25.82%
- excess financial expenses	3,277,202	0.59%
- other	1,527,539	0.27%
IRES Actual tax liability	(3,441,748)	-0.61%

Reconciliation between theoretical and actual tax liability: IRAP

(euro)	2025	Tax rate
Items/Figures		
Difference between revenues and production costs	(2,961,347)	
IRAP Theoretical tax liability (5.57% rate)	164,947	-5.57%
Increases in taxes	(520,145)	n.s.
Decreases in taxes	4,302,738	n.s.
IRAP Actual tax liability		n.s.

Taxes for the year 2025 recognised in equity which are primarily attributable to the deferred taxation recognised on the CFH Reserve are detailed below:

Taxes relating to components of the Statement of comprehensive income

(euros)	31/12/2025	31/12/2024
Items/Figures		
Change in fair value of cash flow hedge derivatives	4,552,117	(38,041,522)
Tax impact (+/-)	(1,346,061)	11,257,485
Other components of the Comprehensive Income Statement	3,206,056	(26,784,037)

IV – INFORMATION ON RISKS AND THE RELATED HEDGING POLICIES

Concerning risk exposure and the related uncertainties, it should be highlighted that, as a holder of significant equity investments, CDP RETI is exposed to the risks typically associated with investee companies. Such risks are monitored through a rigorous risk measurement and control process, which is carried out in first instance by the Directors as part of their assessment of the recoverability of the investments made. Their assessment is then reflected in the carrying amount shown in the financial statements for the related equity investments. Moreover, risk profiles are measured constantly on the basis of market price volatility of the related shares.

The Company is also supported by the parent company CDP, pursuant to the service agreements entered into. In particular, risk management is coordinated at group-level in synergy with the competent structures of CDP.

The main risks identified and the processes for managing them in order to minimise potential adverse impact on the financial and economic performance of CDP RETI are listed below.

MARKET RISK

In conducting its business, CDP RETI is exposed to the market risk and, in particular, to the interest rate risk, which is the risk that the fair value or the cash flows of financial instruments may fluctuate due to changes in market interest rates or may lead to unexpected changes in net financial charges in relation to the portion of debt with floating rate. Exposure to interest rate risk mainly arises from the variability of financing conditions in the event of new borrowings and from fluctuations in the cash flows relating to interest generated by the portion of debt at a variable rate. The Company, in carrying out its business, is not, on the other hand, exposed to the risk of exchange rate fluctuations.

The optimal balance between fixed-rate and floating-rate components within the debt structure is defined in coordination with the relevant departments of the parent company CDP. The Company's policy in the management of interest rate risk is achieved essentially through the definition of an optimal financial structure with the dual objective of stabilisation of expenses and containment of the cost of funding. The Company aims, in particular, to contain financial expenses and their volatility by entering into Over The Counter derivative financial contracts (so-called vanilla interest rate swaps - "floating to fixed" with the parent company CDP to change the risk profile of the original exposure to interest rate risk of the Term Loan) with reference maturity and notional principal¹¹³ aligned with those of the underlying financial liability. As a result, any change in the expected cash flows of these contracts is offset by a corresponding change in the expected cash flows of the underlying position. Additionally, with regard to the two IRS hedging derivatives entered into to convert the 2024 Term Loan rate from floating to fixed, in accordance with hedge accounting principles as per international accounting standards, the fair value (mark to market) of these instruments is booked in a specific and restricted reserve account ("CFH Swap valuation reserve") within Equity.

The table below shows the breakdown of financial debt for loans in place by fixed-rate and floating-rate type, as at 31 December 2025 and as at 31 December 2024.

(euro) Items/Figures	31/12/2025		31/12/2024	
	Total	%	Total	%
Fixed interest	1,103,858,079	64.7%	1,102,043,362	64.7%
Variable interest	601,145,702	35.3%	600,226,746	35.3%
Total	1,705,003,781	100.0%	1,702,270,108	100.0%

As of November 2024, the Company has entered into two Interest Rate Swap¹¹⁴ (IRS) contracts to hedge the full Term Loan 2024 (with a nominal value of 600 million), which are used to convert the variable-rate loan into a fixed-rate one. The two derivatives have a total notional amount equal to the total Term Loan 2024, with an overall mark-to-market (fair value) of 5,284 thousand euro as at 31 December 2025 (1,196 thousand euro positive at the end of 2024). As of 31 December 2025, following the subscription of these IRS derivatives, the entire variable-rate debt is fully hedged against interest rate fluctuations.

Reference is made to the "Net Financial Debt and Cash Flows" section of the CDP RETI Report on Operations for a detailed description of the item.

RISK RELATED TO CLIMATE CHANGE

Given its nature as a holding company, in overall terms, the exposure of CDP RETI to the risks related to climate change is currently limited. The company's objective of reducing its environmental impact is guided by the strategic guidelines set out at CDP Group level. The CDP Group has long placed sustainable development at the centre of its long-term strategy by setting environmental, social and governance goals and integrating them with the other objectives of the Business Plan.

With regard to the main asset item (equity investments in Snam, Terna and Italgas account for more than 90% of assets), issues related to climate change have so far not impacted the estimation of recoverable amount (equal to the greater of

¹¹³ The amount on which the cash flows are exchanged.

¹¹⁴ Specifically, the two derivative contracts were entered into to hedge the first drawdown of 345 million euro and the second drawdown of 255 million euro from the new Term Loan of 5 November 2024.

Fair Value and Value in Use¹¹⁵) (nor are they reasonably expected to do so) also in consideration of the fact that as of 31 December 2025 the stock prices of the controlling interests held in the portfolio are well above the book value. With reference to the main liability item (loans), which is representative of the existing financing sources (Term Loan and Bond), please note that the contractual financial cash flows are in no way dependent on the achievement of climate-related objectives.

In terms of transition risk, CDP RETI, as an investment vehicle, is primarily exposed to indirect risks, that is, risks that may affect the value of the controlling shareholdings held in its portfolio. In this regard, it should be noted that all subsidiaries are undertaking investments related to energy transition projects in order to meet the emission targets set by the European Union. These investments may affect the financial indebtedness levels of the subsidiaries. On the other hand, they will improve the quality and ultimately the value of their networks, with a positive impact on their company profile. For more information on the risks related to climate change, please see the more detailed information in the specific section "I.1.5. Other issues" of the Notes to the consolidated financial statements.

RISK RELATED TO THE FINANCIAL PERFORMANCE AND THE PROFIT OR LOSS OF SNAM, TERNA AND ITALGAS

Given its nature as a financial holding company, the performance and cash liquidity of the Company are influenced not only by the market values of its investee companies, but also by the ability of subsidiaries to pay dividends (and by their dividend policies), which is in turn influenced by the financial performance and the profit or loss of the Snam group, the Terna group and the Italgas group. Consequently, any material change in the two parameters above could have negative effects on the financial performance and profit or loss of CDP RETI.

Through its subsidiaries, CDP RETI is active in the gas transport, regasification and storage and energy transition sector (Snam), in the electricity dispatching and transmission sector (Terna) and in the gas distribution sector (Italgas). Therefore, CDP RETI is exposed to the risks typical of those markets and sectors in which its investees operate. Furthermore, in line with its mission, CDP RETI has an undiversified equity investment portfolio, though concentrated in terms of country (Italy) and regulatory authority (ARERA).

The dividend policies of the investee companies, which are based on the provisions of the respective strategic plans, are outlined below.

Terna (Update 2024-2028 Plan presented on 25/03/2025): over the Plan period, the new dividend policy foresees a minimum level (floor) equal to the 2024 dividend (39.62 euro cents per share) for the entire period of the 2024-28 Industrial Plan Update. Over the Plan period, the new dividend policy foresees the distribution of a dividend equal to the higher between (i) the value of the 2024 dividend per share (39.62 euro cents per share) and (ii) an annual growth of the dividend per share equal to 4%, assuming 2023 as the reference year (33.96 euro cents per share).

Snam (2026-2030 Plan presented on 4 March 2026): the dividend policy has been confirmed, with annual dividend growth of 4% over the period 2026-2030 and a maximum payout ratio of 80%. Snam expects to distribute in 2026 a total dividend of 0.3021 euro per share for the 2025 financial year, of which 40% has already been paid in January 2026 as an interim dividend. The remaining 60%, amounting to 0.1813 euro per share (pending approval by the Shareholders' Meeting that will approve the 2025 Separate financial statements), will be paid on 24 June 2026.

Italgas (2025-2031 Plan presented on 30 October 2025): the dividend policy has been extended until 2028, with an improvement in the base used to calculate the guaranteed annual growth of 5%, now set at the 2024 DPS. Under the new policy, the dividend will be equal to the higher of: (i) the 2024 DPS of 0.406 euro increased by 5% annually, excluding the effects of IAS 33, and (ii) a DPS equal to 65% of adjusted net profit per share¹¹⁶. The new floor implies dividend per share growth, based on 2025 earnings, of at least 11.7% compared with the 2024 dividend adjusted for the application of IAS 33.

RISK RELATED TO RESTRICTIONS ON THE TRANSFER OF FINANCIAL RESOURCES FROM SNAM, TERNA AND ITALGAS

As previously mentioned, the financial position and operating results of CDP RETI are dependent on the flow of funds received, in the form of dividends, from Snam, Terna and Italgas. This availability depends not only on the ability of Snam, Terna and Italgas to generate sufficient cash flow, but also on the ability of the three groups to overcome any legal and contractual restrictions on the distribution of dividends. By way of an example, such restrictions might include: i) regulatory restrictions on increasing tariffs, ii) requests for significant investments on the infrastructure managed by the three groups, iii) the requirement to comply with the covenants of loan agreements.

Another restriction, generally speaking, could be the extent of future taxation.

These restrictions, and the resulting fall in inflows, could have significant negative effects on the Parent Company's ability to make the required payments on the bonds and the existing loan agreement.

¹¹⁵ Intended as the present value of the future cash flows that the equity investment is expected to generate.

¹¹⁶ Taking into account the number of shares outstanding as at 31 December of each year.

LIQUIDITY AND CREDIT RISK

In relation to its own business activity, the Company is exposed to the liquidity risk, which is the risk that, due to the inability to raise new funds or liquidate assets on the market, it is not able to fulfil its own payment commitments or can only fulfil them at unfavourable economic conditions also due to situations of tension or systemic crisis (e.g. crisis in sovereign debt), resulting in an impact on income if the company is forced to sustain additional costs to meet such commitments or, as an extreme consequence, in a condition of insolvency that puts the continuation of company business at risk. Notwithstanding the Company's goal to implement a financial structure that guarantees an adequate level of liquidity and an optimal profile in terms of debt maturity and composition, the effects of external factors cannot be excluded, including, for example, the effects of a negative market or a considerable tightening of bank credit access conditions. In such a scenario, the Company might find it difficult to make the required payments associated with bond loans and the existing financing.

The ability to access capital markets and other forms of financing, as well as the related costs, depend, among other factors, on the credit rating assigned to the Company. Any downgrade by rating agencies could limit access to capital markets and increase funding costs, with potential adverse effects on the Company's economic, financial and equity position. During 2025, CDP RETI maintained a long-term credit rating at "investment grade" level. In this regard, on 11 February 2025 Moody's completed its periodic review of the Company's rating, confirming the long-term rating of Baa3 with a stable outlook; the same assessment was confirmed following the periodic review completed on 3 February 2026. In addition, on 30 September 2025 Fitch Ratings upgraded the Company's long-term rating from BBB to BBB+, with a stable outlook.

The Company's current policy is to maintain available liquidity invested in demand or very short-term bank deposits or other readily liquid instruments, with investments allocated over a reasonable number of counterparties. The management of the CDP RETI liquidity risk is also aimed at maintaining cash and cash equivalents sufficient to meet expected commitments over a given time horizon (especially in light of the financial covenants under the existing loan agreements), as well as maintaining prudent liquidity reserves, sufficient to cope with any unexpected commitments. Where possible, debt management also provides for a diversified structure of funding sources (Term Loan and Bond) and a balanced maturity profile (2029 for the Term Loan 2024, 2027 and 2031 for the 2022 and 2024 Bonds). The Company's cash flows, financing needs and liquidity requirements are generally monitored and managed in coordination with the parent company CDP S.p.A., with the aim of ensuring effective and efficient management of financial resources. With reference to the impairment of its financial assets, the introduction of IFRS 9 required the transition from the incurred loss model under IAS 39 to the expected credit loss model. Specifically, impairment of financial assets classified as cash and cash equivalents is based on the recognition of a 12-month expected credit losses on loans or over the entire remaining life in the event of a substantial deterioration in credit risk. The expected credit loss is calculated using the default probability (probability that the default event will occur) and the percentage of credit that will not be recovered in the event of default (loss given default). In the short term, liquidity risk is mitigated by ensuring an adequate level of cash and cash equivalents. In the medium/long term, liquidity risk is mitigated by maintaining a balanced debt maturity profile and a diversified range of financing instruments (e.g., Term Loan and Bond).

In view of its current business, CDP RETI is not significantly exposed to credit risk, i.e. the possibility of a deterioration in creditworthiness of counterparties that might lead to adverse effects on the expected value of the credit position and/or an increase in collection times. For the Company, the exposure to credit risk is mainly a question of the collection of dividends, approved by the subsidiaries, and the trading of derivatives (for which there is an exchange of cash collateral), bank deposits and irregular deposits with the parent CDP. Credit exposures and associated credit risk are periodically monitored by the risk control department of the parent company CDP, in accordance with the Group's defined risk governance policies and procedures.

Since all of CDP RETI's debt is bullet in nature, there are no refinancing risks until October 2027, when the 500 million euro bond issued in October 2022 will mature.

The table below shows the undiscounted contractual cash flows (with regard to loans as at 31 December 2025) of the gross financial debt at the nominal repayment amounts, and the related interest flows. Interest flows are calculated in accordance with the following terms and interest rates:

- regarding the 2022 bond¹¹⁷, the annual coupon is 5.875%, with payment made in October;
- regarding the 2024 bond¹¹⁸, the annual coupon is 3.875%, with payment made in September;
- as regards the Term Loan 2024 totalling 600 million euro, the floating interest rate (payment in May and November) is indexed to the 6-month Euribor (value as at 31 December 2025) and increased by the contractually-agreed margin. Contractual flows were calculated using estimated forward rates at the balance sheet date.

¹¹⁷ On 25 October 2022, CDP RETI issued a new fixed-rate, unsubordinated and unsecured bond on the capital markets, with a nominal value of 500 million euro and a maturity of five years, intended for institutional investors and listed on the regulated market of the Irish Stock Exchange (Euronext Dublin Regulated Market).

¹¹⁸ On 4 September 2024, CDP RETI issued a new unsubordinated and unsecured fixed-rate bond, with a nominal value of 600 million euro and with a duration of 7 years, on the capital market for institutional investors. It was listed on the regulated market of the Irish stock exchange (Euronext Dublin Regulated Market).

Financial liabilities - Analysis by due date of the contractually agreed payments.

(thousands of euro)

Items/Figures	2026	2027	2028	2029	2030	2031
Bond	Principal		(500,000)			(600,000)
	Interests	(52,625)	(52,625)	(23,250)	(23,250)	(23,250)
Loans (*)	Principal				(600,000)	
	Interests	(19,996)	(20,944)	(22,607)	(23,547)	

(*) Financial flows from hedging derivatives are not included

The cash flows related to the Term Loan do not take into account receipts and payments linked to the derivative hedging instruments, which are analysed in the table hereunder.

(thousands of euro)

Items/Figures	2026	2027	2028	2029
Cash Flow Hedge	Payments	(20,357)	(20,357)	(20,357)
	Collections	19,996	20,944	22,607
	Net	(361)	588	2,250

DEFAULT RISK AND DEBT COVENANTS

Default risk and debt covenants relate to the possibility that loan agreements or bond rules to which CDP RETI is a party may contain provisions that entitle the counterparty to call in such loans immediately upon the occurrence of certain events, thereby generating a liquidity risk.

CDP RETI's loans include covenants that are common in international practice. Such covenants refer to:

- the Company's bond debt, entered into in October 2022 for a nominal amount of 500 million euro, falling due in 2027;
- the Company's bond debt, entered into in September 2024 for a nominal amount of 600 million euro, falling due in 2031;
- the bank debt, contracted in November 2024 for a nominal value of 600 million euro, as part of the Term Loan established with a pool of banks.

The main covenants related to the bond issuances completed in October 2022 and September 2024 can be summarised as follows:

- "negative pledge" clauses, under which the issuing entity is subject to limitations on the creation or maintenance of restrictions on all or part of its assets or on its revenues in order to guarantee current or future borrowing, except for specifically permitted circumstances;
- "change of control" clauses, under which bondholders have the option of requiring the issuing entity to redeem their securities in the event that CDP no longer has control over the company;
- "event of default" clauses, under which, on the occurrence of certain predetermined events (such as, for example, failure to pay, failure to fulfil contractual obligations, etc.), an event of default occurs and the loan in question becomes immediately due; in addition, under the "cross default" clauses, if an "event of default" occurs on any financial borrowing (above certain amounts) issued by the issuer, an event of default also occurs on the loan in question, which becomes immediately due.

The main covenants outlined in the financing agreement signed by CDP RETI in November 2024 with a pool of banks are summarised below:

- "pari passu" clauses, under which the Company, for the entire duration of the loans, will ensure that the payment obligations rank pari passu with those of all other unsubordinated unsecured creditors, subject to any privileges assigned by law;
- disclosure obligations, on both a periodic and an occasional basis, upon the occurrence of certain predetermined events;
- mandatory cancellation or early repayment of the loan in the case of, inter alia: (i) unlawfulness, (ii) change of control or (iii) the Company's sale of a significant equity investment in its subsidiaries above the 10% threshold;
- observance of the following financial covenants to avoid an event of default:
 - Loan to Value: ratio, expressed as a percentage, between (i) Financial Debt (net of Cash and cash equivalents) and (ii) the market value (in the 180 days prior to the measurement date) of Snam, Terna and Italgas shares held by CDP Reti. This ratio must not exceed 50%;
 - Dividend Interest Coverage Ratio (DICR): ratio, with reference to the 12 months prior to the measurement date, between (i) the cash deriving from dividends received and (ii) interest paid on the Financial Debt. This ratio must not be less than 1.25;

- Total Debt Service Amount (TDSA): at all times, CDP RETI must have cash or cash equivalents in an amount not less than interest, fees, commissions and other costs related to the Financial Debt to be paid in the following six months.

During the year, the Company complied with the capital and economic-financial requirements deriving from loan agreements.

CDP RETI mitigates the foregoing risks by monitoring any aspects that might have negative effects on its financial position and performance, also with a view to ensuring compliance with the covenants envisaged in the existing loans. With regard to the subsidiaries Terna, Snam and Italgas, CDP RETI closely monitors their market values and economic and financial performance, with particular attention to all aspects that might have an impact on their dividend distribution policies.

With regard to liquidity, discussions are held periodically with the parent CDP to assess the need to apply for credit lines. There are no liquidity difficulties to be reported as at 31 December 2025; CDP RETI collected around 629 million euro in dividends from its subsidiaries in the period and the balance of its cash and cash equivalents was approximately 96 million euro as at 31 December 2025.

V – TRANSACTIONS WITH RELATED PARTIES

The related parties have been identified on the basis of the provisions of international accounting standards and the CONSOB provisions issued on the matter. Transactions undertaken by CDP RETI with related parties mainly refer to transactions with the subsidiary Cassa Depositi e Prestiti as detailed in the table below.

INFORMATION ON THE REMUNERATION OF KEY MANAGEMENT PERSONNEL ¹¹⁹

Remuneration of key management personnel

(euro) Items/Figures	Board of Directors	Board of Auditors	Key management personnel
a) short-term benefits	100,000	80,000	409,488
b) post-employment benefits			
c) other long-term benefits			
d) severance benefits			
e) share-based payments			
Total	100,000	80,000	409,488

Short-term remuneration is paid during the reporting year, or in any case within six months after the end of the financial year.

Remuneration paid to the Board of Directors and the Board of Statutory Auditors

(euro) Name	Position	Period in office	Expiry of office (1)	Compensation and bonuses
Directors in office as at 31 December 2025				
Giovanni Gorno Tempini	Chairman	01/01/2025- 31/12/2025	2025	20,000
Dario Scannapieco	Chief Executive Officer	01/01/2025- 31/12/2025	2025	20,000 (2)
Coletti Sabrina	Director	01/01/2025- 31/12/2025	2025	20,000 (2)
Xue Xia	Director	09/04/2025- 31/12/2025	2025	14,630 (3)
Qinjing Shen	Director	01/01/2025- 31/12/2025	2025	20,000 (3)
Outgoing Directors in 2025				
Yanli Liu	Consigliere	01/01/2025- 08/04/2025	2025	5,370 (3)
Statutory Auditors in office as at 31 December 2025				
Florinda Aliperta	Chairman	01/01/2025- 31/12/2025	2025	30,000 (4)
Paola Dinale	Auditor	01/01/2025- 31/12/2025	2025	25,000 (4)
Paolo Sebastiani	Auditor	01/01/2025- 31/12/2025	2025	25,000 (4)

(1) Appointed by the Shareholders' Meeting of 20 January 2021 for the three-year period 2021-2023, with a mandate ending after the approval of the 2023 financial statements, which took place on 13 May 2024, when the Shareholders' Meeting postponed discussion on renewing the corporate bodies - and is now in extension.

(2) Compensation paid to Cassa depositi e prestiti S.p.A.

(3) Compensation is paid to State Grid International Development Limited

(4) The amounts refer to remuneration approved by the Shareholder's Meeting/Board of Directors and accrued by members of the Board of Statutory Auditors and the Supervisory Body

¹¹⁹ Key management personnel are those individuals who have the power and responsibility, directly or indirectly, for planning, directing and controlling the company's activities, including directors (executive or not) of the company.

INFORMATION ON TRANSACTIONS WITH RELATED PARTIES

The Company is subject to management and coordination by CDP, the majority shareholder.

During the 2025 financial year, with the exception of the share capital increase, no atypical or unusual transactions with related parties were carried out which, due to their materiality, could affect the Company's financial position and results. All transactions with related parties were carried out on an arm's length basis (i.e. at the conditions that would be applied between two independent parties) and form part of the ordinary operations of CDP RETI.

The following tables summarise the balances relating to transactions with related parties and the impact of these amounts on the corresponding figures in the separate income statement, statement of financial position and statement of cash flows of CDP RETI.

Transactions with the parent company

(euro)			
Items/Figures		2025	2024
Assets		86,113,156	86,806,797
- Deposit balance		80,833,969	85,600,123
- Receivable for tax consolidation (withholding tax)			
- Receivable for tax consolidation			
- Receivable for CSA financial transactions		(5,103)	10,835
- CFH derivative agreement		5,284,290	1,195,840
Liabilities		(202,371,046)	(199,684,734)
- Payables for seconded personnel		(145,881)	(113,810)
- Payables for directors' compensation to pay to CDP		(40,000)	(40,000)
- Payables for outsourced services		(620,308)	(367,936)
- Other payables			
- Loans to CDP for CSA		(4,000,000)	
- Loans for tax consolidation		(756,105)	(2,653,899)
- Loans:			
<i>included in current liabilities</i>		<i>(2,185,093)</i>	<i>(2,185,093)</i>
<i>included in non-current liabilities</i>		<i>(194,623,660)</i>	<i>(194,323,997)</i>
Revenues		5,885,087	60,502,382
- Interest income on deposit contract		4,635,382	9,589,782
- Interest income on CSA financial transactions		20,399	10,835
- Interest income on CFH		1,229,307	50,901,766
- Impairment of financial assets			
Costs		(11,945,193)	(24,677,443)
- Interest expense on loan		(10,881,100)	(18,637,871)
- Interest expense on CFH		(216,782)	(4,052,339)
- Interest expense on CSA		(22,076)	(1,183,642)
- Impairment of financial assets		71	228
- Outsourced services rendered to CDP RETI		(677,630)	(688,951)
- Costs for personnel seconded to CDP RETI		(145,907)	(113,812)
- Other costs		(61)	(61)
- Other administrative expenses		(1,708)	(996)
Cash flows		(181,470,560)	(405,744,369)
Cash flow from operating activities		(1,012,405)	3,330,048
Net cash flow from investing activities			
Net cash flow from financing activities		(180,458,155)	(409,074,417)

During 2025, transactions with CDP, which are summarised in the table above, mainly related to the following:

- the share capital increase;
- the irregular deposit agreement with the parent company CDP;
- the contracts relating to the two CFH derivatives, for which the related asset was measured at fair value as at 31 December 2025;
- the recognition of liabilities as at 31 December 2025 (net of receivables for advances paid in 2025) arising from CDP RETI's participation in the tax consolidation;
- the portion of the 2022 and 2024 bonds subscribed by CDP and the related interest amounts.
- outsourcing services provided by CDP to CDP RETI;
- the remuneration of directors paid to the Parent Company;
- the contracts of the CDP employees partially seconded to CDP Reti;
- the agreement for the custody and administration of securities.

Transactions with other related entities

(euro)		
Items/Figures	2025	2024
Assets	127,317,843	122,485,214
- Property, plant and equipment - RoU IFRS 16	18,597	46,189
- Receivables from SNAM for interim dividend	127,286,009	122,439,025
- Prepaid expenses due to others	13,238	
- IFRS 16 Prepaid expenses		
Liabilities	(155,300,724)	(60,356,967)
- Lease liability	(22,452)	(51,191)
- Trade payables	(3,332)	(2,749)
- Payables for pension fund	(2,694)	(3,295)
- Loans:		
<i>included in current liabilities</i>	(1,159,345)	(698,465)
<i>included in non-current liabilities</i>	(153,933,217)	(59,432,741)
- Payables for directors' compensation to pay to SGEL	(40,000)	(40,000)
- Payables for outsourced services	(13,419)	(10,617)
- Payables for seconded personnel	(126,263)	(117,909)
Revenues	634,242,267	581,441,381
- Dividends from subsidiaries	634,224,346	581,423,658
- Other income from cost recharge to SGID	17,921	17,723
Costs	(6,533,437)	(2,412,258)
- Outsourced services rendered to CDP RETI	(25,834)	(25,834)
- Commission charges	(15,000)	
- Rental costs from FINTECNA	(126,262)	(117,911)
- IFRS 16 costs	(28,711)	(29,767)
- Interest expense on loan	(6,296,601)	(2,195,590)
- Costs of office lease fees	(22,294)	(22,671)
- Costs related to pension fund	(18,736)	(20,485)
Cash flows	251,255,961	419,203,161
Cash flow from operating activities	622,945,716	575,656,426
Net cash flow from investing activities	(264,822,687)	(30,031)
Net cash flow from financing activities	(106,867,068)	(156,423,234)

Related parties transactions mainly refer to:

- receivables of the 2025 interim dividend from Snam approved on 5 November 2025 and collected on 21 January 2026;
- payables to the shareholder SGEL relating to the 2022 bond loan and the related interest accrued as at 31 December 2025, as well as to the 2024 bond loan subscribed in December 2025;
- payables to Fintecna for the 2024 bond loan and the respective share of interest accrued as at 31 December 2025;
- Directors' fees paid to SGEL;
- payables for IFRS 16 leases and for the various lease costs;
- payables for other services entered into with other Group companies (CDP Equity S.p.A);
- payables to the pension fund;
- dividends received from subsidiaries;
- income from recharges to State Grid International Development of costs incurred by CDP RETI in relation to the activities carried out by the auditor Deloitte on behalf of State Grid on the reporting package as at 31 December 2024.

FINANCIAL HIGHLIGHTS OF THE COMPANY PERFORMING MANAGEMENT AND COORDINATION

In compliance with Article 2497-bis, paragraph 4, of the Italian Civil Code, the financial highlights from last year's financial statements of the parent company Cassa Depositi e Prestiti S.p.A. are shown in Annex 2.

VI – NON-RECURRING EVENTS AND SIGNIFICANT TRANSACTIONS

Pursuant to Consob communication no. DEM/6064293 of 28 July 2006, it should be noted that during the year there were no significant events and transactions of a non-recurring nature, or transactions and events that do not occur frequently in the usual course of business.

VII – OPERATING SEGMENTS

In accordance with “IFRS 8 - Operating Segments”, for companies that publish the Group consolidated financial statements and the separate financial statements of the parent company in a single document, the operating segments are disclosed only with reference to the consolidated financial statements. Therefore, reference is made to the same paragraph in the Notes of CDP RETI Group’s consolidated financial statements.

X – DISCLOSURE OF LEASES

X.1 LESSEE

Qualitative disclosures

CDP RETI calculates the duration of the lease, which falls within the scope of IFRS 16, considering the “non-cancellable” period during which it has the right to use the underlying asset by measuring all the contractual aspects that may change this duration, among which, in particular, is the possible presence of:

- any period covered by an option to extend the lease, if it is reasonably certain that the option will be exercised;
- any period covered by an option to terminate the lease, if it is reasonably certain that the option will not be exercised.

As at 31 December 2025, this category includes the lease agreement relating to portions of the building located at 220 Via Alessandria in Rome, used for management and office activities.

In accordance with the accounting standard which provides that “*the underlying asset can be of low value only if:*

- the lessee can benefit from use of the underlying asset on its own or together with other resources that are readily available to the lessee; and
- the underlying asset is not highly dependent on, or highly interrelated with, other assets”.

CDP RETI applies the exemption for lease contracts when the value of the asset on the purchase date is lower than 5,000 euro.

CDP RETI considers a lease to be “short-term” when it has a maximum lease duration of 12 months and does not include any option to extend (and to purchase) that may be exercised at the discretion of the lessee.

For these contracts, the related payments are recognised through profit or loss on a straight-line basis for the corresponding duration.

Quantitative disclosures

Classification by time bands of the payments to be made and reconciliation with the lease liabilities recognised

(thousands of euro)	Total 31/12/2025 Lease payables
Time bands	
Up to 1 year	22,500
Between 1 and 2 years	
Between 2 and 3 years	
Between 3 and 4 years	
Between 4 and 5 years	
Over 5 years	
Total lease payments to be made	22,500
Reconciliation with lease liabilities	(48)
Unearned finance income (+)	(48)
Unguaranteed residual value (+)	
Lease liabilities	22,452

X.2 LESSOR

As at 31 December 2025, this item is not present in the financial statements of CDP Reti S.p.A.

PROPOSAL FOR ALLOCATION OF THE NET INCOME FOR THE YEAR

The Board of Directors proposes, for the financial year 2025, to distribute a total dividend of 556,533,286.56 euro, of which 393,815,514.24 euro was declared as an interim dividend on 25 November 2025.

The Board of Directors therefore proposes to allocate the 2025 net income of CDP RETI S.p.A., equal to 556,595,376.45 euro, as follows:

- 393,815,514.24 euro to cover the interim dividend paid by 5 December 2025;
- 162,717,772.32 euro - gross of any applicable withholdings taxes - as the final portion of the dividend to be distributed following the resolution of the Shareholders' Meeting for an equivalent amount of 24.51 euro for each of the 6,638,832 shares;
- 61,198.53 euro to be carried forward as retained earnings; and
- 891.36 euro to increase the legal reserve.

The Shareholders' Meeting is convened, in ordinary session, to resolve on the approval of the separate financial statements of CDP RETI S.p.A. as at 31 December 2025 and to resolve on the proposed allocation of the 2025 net income.

ANNEXES

ANNEX 1

Analytical list of equity investments

ANNEX 2

Separate financial statements at 31 December 2024 of Cassa Depositi e Prestiti S.p.A.

ANNEX 1

Analytical list of equity investments

(euro)

A. Listed entities	Names	Registered office	% holding	Carrying amount	Type
	Italgas S.p.A.	Milano	25.94%	885,824,979	Control
	SNAM SpA	San Donato Milanese (MI)	31.35%	3,086,832,662	Control
	TERNA S.p.A.	Roma	29.85%	1,315,200,000	Control

ANNEX 2

Cassa depositi e prestiti società per azioni

Registered office in Rome, Via Goito n. 4, Tax Code 80199230584

BALANCE SHEET

(euro)

Assets	31/12/2024	31/12/2023
10. Cash and cash equivalents	6,271,865,935	1,148,101,413
20. Financial assets measured at fair value through profit or loss	4,392,426,224	4,492,245,509
a) Financial assets held for trading	238,804,202	338,117,390
b) Financial assets designated at fair value		
c) Other financial assets mandatorily measured at fair value	4,153,622,022	4,154,128,119
30. Financial assets measured at fair value through other comprehensive income	9,388,651,890	10,994,897,464
40. Financial assets measured at amortised cost	337,361,812,626	345,069,503,990
a) Loans to banks	24,916,987,034	22,450,011,219
b) Loans to customers	312,444,825,592	322,619,492,771
50. Hedging derivatives	1,010,696,592	2,105,169,542
60. Fair value change of financial assets in hedged portfolios (+/-)	(1,687,926,267)	(2,001,492,273)
70. Equity investments	33,358,606,663	33,064,707,418
80. Property, plant and equipment	353,072,544	357,600,260
90. Intangible assets	80,402,050	77,806,499
- of which goodwill		
100. Tax assets	439,766,963	546,929,696
a) current tax assets	97,043,107	1,777,693
b) deferred tax assets	342,723,856	545,152,003
110. Non-current assets and disposal groups held for sale		
120. Other assets	381,721,682	426,348,346
Total assets	391,351,096,902	396,281,817,864

Cassa depositi e prestiti società per azioni

Registered office in Rome, Via Goito n. 4, Tax Code 80199230584

(euro)

<u>Liabilities and equity</u>	<u>31/12/2024</u>	<u>31/12/2023</u>
10. Financial liabilities measured at amortised cost	356,836,168,711	363,590,748,892
a) due to banks	26,486,064,392	33,682,727,143
b) due to customers	310,044,120,361	311,594,468,524
c) securities issued	20,305,983,958	18,313,553,225
20. Financial liabilities held for trading	381,448,401	327,497,307
40. Hedging derivatives	1,568,237,953	1,652,605,544
50. Adjustment of financial liabilities in hedged portfolios (+/-)		
60. Tax liabilities	153,848,287	503,059,794
a) current tax liabilities	1,450,814	270,790,893
b) deferred tax liabilities	152,397,473	232,268,901
80. Other liabilities	1,826,592,285	1,562,419,636
90. Staff severance pay	1,576,369	1,558,446
100. Provisions for risks and charges	745,573,068	754,987,360
a) guarantees issued and commitments	577,612,170	643,071,415
c) other provisions	167,960,898	111,915,945
110. Valuation reserves	275,156,035	(16,630,954)
140. Reserves	20,179,408,107	18,723,827,156
150. Share premium reserve	2,378,517,244	2,378,517,244
160. Share capital	4,051,143,264	4,051,143,264
170. Treasury shares (-)	(322,220,116)	(322,220,116)
180. Net income (loss) for the year (+/-)	3,275,647,294	3,074,304,291
Total liabilities and equity	391,351,096,902	396,281,817,864

INCOME STATEMENT

(euro)		2024	2023
Items			
10.	Interest income and similar income	11,770,002,864	11,092,285,499
	<i>of which: interest income calculated using the effective interest rate method</i>	<i>11,264,635,019</i>	<i>10,533,271,074</i>
20.	Interest expense and similar expense	(7,628,506,668)	(7,315,882,779)
30.	Net interest income	4,141,496,196	3,776,402,720
40.	Commission income	438,162,360	436,011,326
50.	Commission expense	(1,528,842,609)	(1,264,069,138)
60.	Net commission income (expense)	(1,090,680,249)	(828,057,812)
70.	Dividends and similar revenues	1,702,381,837	1,960,208,396
80.	Profits (losses) on trading activities	(48,845,891)	(82,789,270)
90.	Fair value adjustments in hedge accounting	(814,288)	(19,223,994)
100.	Gains (losses) on disposal or repurchase of:	(152,057,377)	26,577,463
	a) financial assets measured at amortised cost	29,376,887	76,520,997
	b) financial assets measured at fair value through other comprehensive income	(181,434,264)	(49,943,534)
	c) financial liabilities		
110.	Profits (losses) on financial assets and liabilities measured at fair value through profit or loss	7,963,841	93,360,364
	a) financial assets and liabilities designated at fair value		
	b) other financial assets mandatorily measured at fair value	7,963,841	93,360,364
120.	Gross income	4,559,444,069	4,926,477,867
130.	Net adjustments/recoveries for credit risk relating to:	5,667,418	66,488,629
	a) financial assets measured at amortised cost	3,252,946	66,051,856
	b) financial assets at fair value through other comprehensive income	2,414,472	436,773
140.	Gains/losses from changes in contracts without derecognition	(9,223)	(37,622)
150.	Financial income (expense), net	4,565,102,264	4,992,928,874
160.	Administrative expenses	(348,968,089)	(271,422,258)
	a) staff costs	(248,148,444)	(180,347,985)
	b) other administrative expenses	(100,819,645)	(91,074,273)
170.	Net accruals to the provisions for risks and charges	(26,755,274)	(3,876,197)
	a) guarantees issued and commitments	(11,498,526)	(16,066,525)
	b) other net accruals	(15,256,748)	12,190,328
180.	Net adjustments to/recoveries on property, plant and equipment	(18,499,867)	(15,802,734)
190.	Net adjustments to/recoveries on intangible assets	(26,784,394)	(22,204,761)
200.	Other operating income (costs)	38,935,608	50,020,760
210.	Operating costs	(382,072,016)	(263,285,190)
220.	Gains (losses) on equity investments	2,051,629	(682,456,111)
250.	Gains (losses) on disposal of investments	(9,627)	(1,868)
260.	Income (loss) before tax from continuing operations	4,185,072,250	4,047,185,705
270.	Income tax for the year on continuing operations	(909,424,956)	(972,881,414)
280.	Income (loss) after tax on continuing operations	3,275,647,294	3,074,304,291
290.	Income (loss) after tax on discontinued operations		
300.	Net income (loss) for the year	3,275,647,294	3,074,304,291

Cassa depositi e prestiti società per azioni

Sede in Roma, Via Goito n. 4, Codice Fiscale 80199230584

STATEMENT OF COMPREHENSIVE INCOME

(euro)

Items	2024	2023
10. Net Income (loss) for the year	3,275,647,294	3,074,304,291
Other comprehensive income net of tax not transferred to income statement	(65,617,885)	114,590,849
20. Equity securities designated at fair value through other comprehensive income	(65,617,885)	114,590,849
Other comprehensive income net of tax transferred to income statement	357,404,874	319,789,353
120. Cash flow hedges	95,320,777	(13,352,969)
140. Financial assets (other than equity securities) measured at fair value through other comprehensive income	262,084,097	333,142,322
170. Total other comprehensive income net of tax	291,786,989	434,380,202
180. Comprehensive Income (Items 10+170)	3,567,434,283	3,508,684,493

REPORT OF THE STATUTORY AUDITORS

REPORT OF THE BOARD OF STATUTORY AUDITORS TO SHAREHOLDERS' MEETING, IN ACCORDANCE WITH ARTICLE No. 153 OF THE LEGISLATIVE DECREE No. 58/1998 (CONSOLIDATED FINANCE ACT), AND ARTICLE No. 2429 OF THE ITALIAN CIVIL CODE

Dear Shareholders,

Through this report, drawn up in accordance with article 2429, paragraph 2, of the Italian Civil Code (hereinafter C.C.), the Board of Statutory Auditors of the company named CDP RETI S.P.A., hereby reports to the Ordinary Shareholders' Meeting – summoned for the approval of Financial Statements related to the accounting period closed on December 31st, 2025 – on the outcome of the above-mentioned accounting period, and on the activity carried out by the Board of Statutory Auditors in fulfilling its duties, by paying attention to behavior rules of the Board of Statutory Auditors recommended by National Board of Chartered Accountants and Accountancy Experts, as well as recommendations released by CONSOB (Italian Stock-Exchange Authority), and information included in the Self-Regulatory Code. Furthermore, we hereby remind you that, during the accounting period related to the year 2025, the office of Legal Auditor – according to article 13 of the Legislative Decree No. 39 dated January 27th, 2010 – was carried out by the Auditing Company named “Deloitte & Touche S.P.A.” (Deloitte), in accordance with the appointment for the period from 2020 to 2028, as approved by the Ordinary Shareholders' Meeting held on May 10th, 2019.

Therefore, this report summarizes activity concerning provisions included in article 2429, paragraph 2, of the C.C.; more precisely:

- on the outcome of the accounting period;
- on the activity carried out in fulfilling duties, as envisaged by provisions of law;
- on observations and propositions related to Financial Statements, with particular reference to the possible use by the administrative body of the derogation pursuant to art. 2423, paragraph 4, of the C.C.;

- on any possible reports submitted by shareholders to this Board, in accordance with article 2408 of the C.C.

1. Meetings of the Board of Statutory Auditors

Over the accounting period related to the year 2025, the Board of Statutory Auditors met eight times.

The activities carried out by the Board of Statutory Auditors concerned, from the temporal point of view, the whole accounting period. During that period, meetings pursuant to article 2404 of the C.C. have regularly been held; about such meetings, regular minutes have been drawn up.

Furthermore, the Board of Statutory Auditors attended Shareholders' Meetings and meetings of the Board of Directors held during the accounting period.

2. Supervision activity concerning the respect of provisions of law, of the Memorandum of Association, and of the principles of correct management

The Board of Statutory Auditors supervised, pursuant to article 2403 of the C.C., on respect of provisions of law and of the Memorandum of Association, on respect of the principles of correct management, and on the adequacy of the organizational, administrative and accounting system, adopted by the company so as to carry out its own activity. Such a supervision activity has been carried out by the Board of Statutory Auditors, attending meetings of the Board of Directors, and through meetings and exchanging information with persons in charge of the company departments.

The Board of Statutory Auditors has received – pursuant to the frequency set out by provisions of law, and article 19, paragraph 11, of the Corporate ByLaws – pieces of information concerning management general trend and its foreseeable evolution, as well as on the more relevant transactions (for dimensions and features), carried out by the company and its subsidiaries.

According to the foregoing, neither irregularities nor meaningful critical events have arisen.

The Board of Statutory Auditors participated in the Shareholders' Meeting and the meetings of the Board of Directors, in relation to which, on the basis of the information available, it did not detect any violations of the law and the

Articles of Association, nor any operations that were manifestly imprudent, risky, in potential conflict of interest or such as to compromise the integrity of the company's assets.

Moreover, no reports concerning any irregularities and/or infringements – drawn up pursuant to article 2408 of the C.C. – have been received by the Board of Statutory Auditors.

It hasn't been necessary for the Board of Statutory Auditors to undertake any specific actions due to omissions by the Board of Directors pursuant to article 2406 of the C.C.

No reports pursuant to article 2409, paragraph 7, of the C.C. have been received by the Board of Statutory Auditors.

The Board of Statutory Auditors has not submitted any notice to the Board of Directors, pursuant to Article 15 of the Law Decree No. 118/2021.

3. Supervision activity concerning the adequacy of the organizational system, and internal auditing and risk management

The Board of Statutory Auditors has supervised the adequacy of the company's organizational system and the way it actually works, through meetings and the exchange of information with persons in charge of the main supervised activities.

Furthermore, the Board of Statutory Auditors has supervised the efficiency of the internal auditing system and risk management, in order to assess their effectiveness. The Board of Statutory Auditors also operates as a Supervisory Body.

Through meetings held with corporate departments and through documents collected, necessary information has been drawn with reference to the correct application of the "Organizational, Management, and Control Model", pursuant to Legislative Decree no. 231/2001. The Supervisory Body, in its six-month reports for the year 2025, has also reported that – pursuant to inspections carried out – no critical elements.

4. Supervision activity carried out on the administrative and accountancy system, and the financial information process

The Board of Statutory Auditors monitored the process concerning financial information and also supervised on the adequacy of the company's administrative and accountancy system and its reliability in timely and

correctly describing management events, also through meetings held with the Executive in charge of drawing-up of corporate accounting documents, as well as through analysis of other types of corporate documents, and analysis of the outcome concerning activity carried out by the Auditing Company.

Furthermore, the Board of Statutory Auditors supervised on respect of provisions of law concerning drawing-up of Financial Statements and the Management Commentary, by collecting pieces of information from the Auditing Company. In particular, the additional report drawn up by the Auditing Company under Article 11 of the EU Regulation No. 537/2014, does not arise any critical points in the internal auditing system regarding the financial information process.

According to inspections carried out, no critical points arose, which could undermine the adequacy of judgment and the appropriate application of the administrative and accountancy procedures.

5. Financial Statements

The Board of Statutory Auditors analyzed the project concerning the Financial Statements of the company named CDP RETI S.P.A. closed on December 31st, 2025, approved by said company's Board of Directors during the meeting held on April 7th, 2026.

Since the office of Legal Auditor is not included in the Board of Statutory Auditors' purposes, the Board itself supervised the general setting of Financial Statements, on its compliance with current provisions of law with regard to its drawing-up methods; on this point, there are no particular aspects to talk about. Furthermore, the Board of Statutory Auditors checked on respect of provisions of law concerning the drawing-up of the Management Commentary; in this case, too, there are no particular aspects to talk about. In their 2025 Financial Report, Directors described the various items that led to the computation of the economic result, as well as the events that gave rise to said items.

Moreover, the Board of Statutory Auditors analyzed the Report of the Auditing Company, drawn up in accordance with articles 14 and 16 of the Legislative Decree No. 39/2010, in which said Company released a judgment with neither remarks nor emphasis of disclosure, with regard to Financial Statements.

On this issue, the Board of Statutory Auditors reports as follows:

- Financial Statements of the company named CDP RETI S.P.A., closed on December 31st, 2025, have been drawn up in accordance with “IFRS” international accounting standards (which include International Accounting Standards – IAS), released by the International Accounting Standard Board (IASB), in force on December 31st, 2025, and approved by European Commission.
- The correct description of the management events in the accounting records, and their indication in Financial Statements – pursuant to IFRS standards – has been supervised by Deloitte & Touche S.P.A., which is responsible for the Legal Auditing of accounts.
- Financial Statements closed on December 31st, 2025 highlight a net profit corresponding to €. 556.595.376,00 and an Equity corresponding to €. 3.802.091.668,00 including said profit.

In accordance with article 154-bis of the Legislative Decree No. 58/1998, both the Managing Director and the Executive in charge of drawing-up of CDP RETI’s corporate accounting documents have stated – through a specific report attached to the Financial Statements related to year 2025 – as follows: (i) adequacy and appropriate application of the administrative and accountancy procedures during 2025, in order to draw-up said Financial Statements; (ii) compliance of the Financial Statements’ contents with the applicable international accounting standards approved by European Union, pursuant to EU Regulation No. 1606/2002; (iii) matching of the Financial Statements to accounting books and accounting records, and their appropriateness in truly and correctly describing assets, liabilities, equity, incomes, expenses, and financial issues; (iv) that the Management Commentary – attached to Financial Statements – includes a detailed analysis of the management trend and the management performance, together with a description of the main threats and risks the company is going to go through. Schemes used in drawing-up Financial Statements, conform with provisions indicated in IAS No. 1 “Presentation of the Financial Statements”.

Financial Statements comply with provisions of law with regard to the structure, drawing-up, and presentation of pieces of information to the Shareholders’ Meeting.

Management Commentary has been drawn up in accordance with provisions of law.

As far as we know, The Board of Directors, in drawing-up Financial Statements, didn't derogate provisions of law pursuant to article 2423, paragraphs 4 and 5, of the C.C.

In compliance with provisions stated in "IAS No. 1 – revised", CDP RETI effected an assessment of the company's ability to keep on operating as a going concern, by paying attention to available information related to a medium-term scenario. In particular, by referring to said information, the Company deems it appropriate to carry out the assessments of the Financial Statements on the assumption of business continuity, despite the current economic context characterized by a certain uncertainty regarding future scenarios following the direct or indirect impact that the current geopolitical context. Adequate information has also been given on this in section "5. The foreseeable evolution" of operations of the Report on operations of the Group and in the section "I.1.5 Other aspects" of the consolidated explanatory notes and "I – GENERAL PART" (paragraph "Other Aspects") of the explanatory notes to the separate financial statements with particular regard to (i) the geopolitical tensions, related to the ongoing war in Ukraine and exacerbated by events in the Middle East, which continue to weigh on local prospects, and in particular to the estimation of the recoverable value of investments, given that CDP RETI SpA is an investment vehicle, (ii) the tightening of monetary policy conditions, and (iii) the general deterioration of the economic climate and uncertainties about future developments.

Financial Statements correspond to events and information as checked out by the Board of Statutory Auditors in fulfilling its duties.

The Board of Statutory Auditors acknowledges that the directors in the Management Report, with regard to the prospects for 2026, have highlighted how, although the Company is not able, to date, to determine with absolute reliability the impacts linked to the evolution of the current context – characterized mainly by geopolitical tensions and the deterioration of the macroeconomic scenario - on the targets for 2026 and subsequent years, based on the information currently available, no significant impacts are expected on the Company's strategy and objectives, as well as on the ability to distribute dividends to Shareholders, nor in terms of Net Financial Position and cash-flow or, more generally, on liquidity risk. There are currently no situations (nor are they reasonably foreseeable) where there is an imbalance of indebtedness compared to shareholders equity, nor is there a financial

situation of the Company such as to require support from the Shareholders. Despite taking into consideration the above, it is not possible to exclude with absolute certainty that the possible continuation of the aforementioned context could produce negative effects on CDP RETI, which at present cannot be estimated with the available elements. Any further future impacts on the Group's economic/financial performance and on the financial situation, as well as on business development plans, will be assessed in the light of the evolution and duration of the current context. Even with reference to climate-related issues, no significant impacts on the Parent Company are currently expected.

6. Supervision activity carried out in accordance with article 19 of the Legislative Decree No. 39/2010

Pursuant to its office of the Internal and Accounting Auditing Committee, in accordance with article 19 of the Legislative Decree No. 39/2010, the Board of Statutory Auditors monitored the activity concerning legal auditing of the accounts.

On this issue, the Board of Statutory Auditors has met over and over again with representatives of the Auditing Company – also with regard to article 2409-septies of the C.C. – in order to exchange information concerning activity carried out by said Auditing Company. During the periodical exchange of information between the Board of Statutory Auditors and the Auditing Company's representatives, no relevant events to report of arisen. In particular:

- The Board of Statutory Auditors met with the Auditing Company on the occasion of the preparation of the half-yearly report as of 30 June 2025. On September 30th, 2025, the Auditing Company released its own report on accountancy auditing, with regard to the abridged form of the six-month Financial Statements of the CDP RETI Group, closed on June 30th, 2025, by highlighting neither remarks nor emphasis of disclosure, with regard to such Financial Statements;
- on April 24, 2026, the Auditing Company released, pursuant to article 14 of the Legislative Decree No. 39/2010, and to Article 10 of the EU Regulation No. 537/2014, the Auditing Report related to Financial Statements closed on December 31st, 2025, by highlighting neither

remarks nor emphasis of disclosure, with regard to such Financial Statements;

- on April 24, 2026, the Auditing Company also delivered to the Board of Statutory Auditors the additional report pursuant to article 11 of the EU Regulation No. 537/2014, which is *i)* coherent with the positive judgement released in the Auditing Report on Financial Statements closed on December 31st 2025; *ii)* doesn't include any recommendations on possible meaningful gaps in the internal auditing system and/or the accountancy system; *iii)* doesn't include any elements which need to be highlighted in this report. The additional report will be forwarded by the Board of Statutory Auditors to the administrative body, along with its own possible observations, in compliance with provisions included in article 19, paragraph 1, letter a) of the Legislative Decree No. 39/2010.

Moreover, the Board of Statutory Auditors has checked out and monitored independence of the Auditing Company, in particular with reference to the adequacy in providing for non-auditing services, in compliance with provisions stated in article 4 and 5 of the EU Regulation No. 537/2014.

On this issue, we hereby point out that – in attachment to the aforesaid additional report – Deloitte & Touche S.P.A. submitted to the Board of Statutory Auditors a statement concerning independence – as requested by article 6 of the EU Regulation No. 537/2014 – from which neither situations susceptible to undermine independence, nor conflicts of interest arise.

Furthermore, the Board of Statutory Auditors acknowledged about the transparency report drawn-up by Deloitte & Touche S.P.A., in accordance with article 18 of the Legislative Decree No. 39/2010.

7. More relevant transactions, transactions carried out with related parties and unusual transactions

Within the framework of information flows, in accordance with Article 19, paragraph 11, of the Corporate Bylaws – the Board of Statutory Auditors has periodically received – pursuant to a requested regular basis – information related to more relevant transactions (for dimensions and features), carried out by the company and its subsidiaries; such transactions are exhaustively described in explanatory notes to Financial Statements concerning

“Transactions carried out with related parties” (to which we explicitly refer to identify the kind of transactions and the related economic, asset and financial impacts).

In this regard, the Board of Statutory Auditors considers the disclosures provided by the Board of Directors to be adequate. In particular, with reference to the transactions carried out in 2025 – without prejudice to the share capital increase, for which reference should be made to the specific section “Significant events occurred during the year by sector/company” – no atypical or unusual related-party transactions were entered into which, by reason of their materiality or significance, the nature of the counterparties, their subject matter and/or consideration, could, in theory, give rise to concerns regarding the fairness and completeness of the financial reporting, potential conflicts of interest, the safeguarding of corporate assets, or the protection of minority shareholders.

All transactions with related parties are, in fact, carried out on an arm’s length basis (i.e., under terms and conditions that would have been applied between independent parties) and fall within CDP RETI’s ordinary course of business.

8. More relevant events, and meaningful facts

With regard to the main relevant events that affected the company, highlighting that said events belong to specific information included in the document named “Annual Financial Report for the year 2025”, with the reference to those aspects falling within the responsibilities of the Board of Statutory Auditors, we hereby report the following relevant facts that occurred during 2025. In particular:

- On 22 May 2025, the Shareholders’ Meeting of CDP RETI, in extraordinary session, resolved, inter alia, upon the proposal to increase, on a divisible and paid-in basis, the share capital of CDP RETI S.p.A. by a maximum total amount of Euro 265.999.651,20 including share premium, to be offered on a pre-emptive basis to its shareholders.

The proposed capital increase of CDP RETI forms part of the broader transaction concerning the acquisition of 2i Rete Gas S.p.A. (the “Transaction”) by Italgas S.p.A., partially financed through a capital

increase of approximately Euro 1.02 billion resolved by the shareholders' meeting of Italgas on 10 April 2025.

Taking into account the rationale underlying CDP RETI's support for the Transaction, based on the "strategic importance of the infrastructure and energy sectors" and the recognition of its "potential industrial value," as well as its consistency with CDP RETI's investment mission, the Board of Directors of CDP RETI, on 17 April 2025, approved CDP RETI's investment in Italgas, to be executed through the full subscription of its pro quota portion of Italgas's capital increase (i.e. 25,96%), to be financed through the aforementioned capital increase of CDP RETI approved by the Shareholders' Meeting of CDP RETI on 22 May 2025.

CDP RETI's capital increase was authorized for a maximum amount of Euro 265.999.651,20 (including share premium), of which up to Euro 4.456,80 to be allocated to share capital and up to Euro 265.995.194,40 to share premium reserve, through the issuance of up to no. 178.272 shares without nominal value – including up to no. 105.362 Class A shares, up to no. 62.395 Class B shares and up to no. 10.515 Class C shares – to be offered for subscription at the same issue price of Euro 1.492,10 each, with full dividend rights and entitlement to dividends, excluding those relating to profits recorded in the financial year 2024, and having the same characteristics as the shares of the relevant class outstanding at the issue date.

Furthermore, it was resolved to carry out a share split of the outstanding shares of CDP RETI S.p.A. at a ratio of 1:40, maintaining unchanged the share classes and the characteristics of such classes, thereby increasing the total number of shares representing the share capital (which remains unchanged at Euro 161.514,00) from no. 161.514 to no. 6.460.560, as well as proportionally increasing the number of shares in each class as follows:

- Class A shares: no. 3.818.320
- Class B shares: no. 2.261.200
- Class C shares: no. 381.040;

Consequently, Article 6.1 of the bylaws was amended as follows:

"The share capital amounts to Euro 161.514,00 (one hundred sixty-one thousand five hundred fourteen/00) and is represented by no.

6.460.560 (six million four hundred sixty thousand five hundred sixty) special shares without nominal value, of which:

no. 3.818.320 (three million eight hundred eighteen thousand three hundred twenty) special shares, representing 59,1% (fifty-nine point one percent) of the Company's share capital (hereinafter, the "Class A Shares");

no. 2.261.200 (two million two hundred sixty-one thousand two hundred) special shares, representing 35,0% (thirty-five point zero percent) of the Company's share capital (hereinafter, the "Class B Shares");

no. 381.040 (three hundred eighty-one thousand forty) special shares, representing 5,9% (five point nine percent) of the Company's share capital (hereinafter, the "Class C Shares")."

The subscription period for the capital increase of CDP RETI commenced on 23 May 2025 and ended on 5 June 2025. In light of the subscription by Cassa Depositi e Prestiti S.p.A. (holder of Class A shares) and State Grid Europe Limited (holder of Class B shares) of their respective portions of the capital increase, as well as the partial subscription of the respective portion by Class C shareholders, on 6 June 2025 the Company sent a communication to the shareholders containing: (i) the outcome of subscriptions collected during the pre-emptive offer period, (ii) the number of unsubscribed Class C shares and their allocation to eligible Class C shareholders (according to the illustrated criteria), and (iii) the details for payment of the price of the aforementioned Class C shares allocated on a pre-emptive basis.

On 13 June 2025, following the pre-emptive acquisition by eligible Class C shareholders of all unsubscribed shares, CDP RETI announced the full subscription and payment of all shares resulting from the capital increase of CDP RETI and, therefore, the final completion of its capital increase.

On 19 June 2025, within the framework of Italgas's capital increase, CDP RETI subscribed for no. 52.684.606 newly issued Italgas shares, equal to 25,96% of the total new shares, for a total consideration of Euro 264.792.829,76 (corresponding to its entire pro quota portion of the capital increase). As a result of such subscription, CDP RETI holds 263.423.030 Italgas shares, equal to 25,96% of the share capital.

Reference is made to the Explanatory Notes to the separate financial statements for a more detailed analysis of the accounting effects resulting from the capital increase.

- Dividends received from subsidiaries amounted in total to Euro 629,4 million (Euro 577,8 million in 2024). In particular, Euro 306,1 million were received from Snam (2024 interim dividend of Euro 122 million and 2024 final dividend of Euro 184 million), Euro 237,7 million from Terna (2024 final dividend of Euro 166 million and 2025 interim dividend of Euro 72 million), and Euro 85,6 million from Italgas (2024 dividend).

The increase (+Euro 51,6 million) compared to 2024 is attributable to higher inflows resulting from the dividend policies (in terms of dividend per share) of Snam (+Euro 9,0 million), Terna (+Euro 31,2 million) and Italgas (+Euro 11,4 million).

Furthermore, the Board of Directors of Snam, at its meeting held on 5 November 2025, resolved to distribute an interim dividend for 2025, of which Euro 127 million in favor of CDP RETI (collected in January 2026).

- Dividends paid amounted to approximately Euro 571,3 million gross of withholding tax (Euro 531,4 million in 2024). More specifically, in May 2025 the balance of profit for the 2024 financial year was distributed (i.e. approximately Euro 177,5 million gross of withholding tax), of which approximately Euro 105 million in favor of CDP and Euro 62 million in favor of State Grid Europe Limited, representing an increase compared to the final dividend distributed in the first half of 2024 (i.e. Euro 169,5 million). The remaining portion (Euro 362 million) of the 2024 profit had been distributed in November 2024 as an interim dividend.
- In November 2025, the Board of Directors resolved to distribute an interim dividend for 2025 amounting to Euro 394 million gross of withholding tax, of which approximately Euro 233 million in favor of CDP and Euro 138 million in favor of State Grid Europe Limited.

With regard to relationships with investees:

On 12 February 2025, in execution of the incentive plan named “Coinvestment Plan 2021–2023” – approved by the Ordinary and

Extraordinary Shareholders' Meeting of 20 April 2021 — and of the decision of the Board of Directors of Italgas to grant, free of charge, a total of no. 511.604 new ordinary shares of the Company to the beneficiaries of the Plan (so-called second cycle of the Plan) and to initiate the execution of the second tranche of the capital increase resolved by the aforementioned Shareholders' Meeting, CDP RETI's interest in Italgas decreased from 25,98% to 25,96%;

On 14 April 2025, CDP RETI and Snam entered into a second amendment agreement to the shareholders' agreement, already amended by a first amendment agreement dated 21 March 2023, concerning the shares held by them in Italgas. In particular, such second amendment agreement primarily aimed to (i) allow Snam to acquire additional Italgas shares in the context of Italgas's capital increase and (ii) include, among the exceptions to the prohibition on partial transfers to third parties (by Snam), also the case of the sale of part of the option rights (arising from Italgas's capital increase) pertaining to Snam in order to use - as publicly stated by the same - the related proceeds for the subscription of new Italgas shares (so-called "tail swallow" strategy) without additional cash outlays;

On 18 April 2025, CDP RETI filed (pursuant to applicable laws and bylaws, at least 25 days prior to the relevant shareholders' meetings) with the registered offices of Italgas and Snam the lists of candidates for the positions of director and statutory auditor of Italgas S.p.A. and Snam S.p.A. (in view of the renewal of the corporate bodies upon expiry at the shareholders' meetings convened to approve the respective financial statements as at 31 December 2024);

On 6 November 2025, moreover, Italgas informed the market of the completion of the first cycle of the Broad-Based Share Ownership Plan promoted by the Company for the three-year period 2025–2027. As a result of the participation of nearly two out of three employees (among Italgas Group employees entitled), CDP RETI's interest in Italgas decreased from 25,96% to 25,94%.

9. Advisory activity carried out by the Board of Statutory Auditors

In carrying out advisory activity in accordance with current provisions of law, Corporate ByLaws, and other internal governance instructions, the

Board of Statutory Auditors – during the year 2025 – released its own opinion with reference to the assignment of tasks other than auditing to the appointed auditor.

10. Sustainability disclosure

In accordance with Article 2, paragraph 4, of Legislative Decree No. 125/2024 (the Decree) implementing Directing (EU) 2022/2464 (CSRD), CDP RETI is exempt from providing individual sustainability reporting as outlined in Article 3, paragraph 1, of the Decree, as it falls outside the scope of the Decree. In any case, even if CDP RETI were to qualify in the future as a “large enterprise” or “listed small and medium-sized enterprise” under the Decree, it would still not be required to prepare individual sustainability reporting, as the exemption under Article 7, paragraph 1, letter a) of the Decree would apply. In fact, given that CDP RETI is under the control and coordination of CDP, the information needed for its individual sustainability reporting would be included in the consolidated sustainability reporting of the parent company, CDP. Moreover, CDP RETI is not required to prepare consolidated sustainability reporting according to Article 2 of the Decree, as it does not exercise control or coordinating over any company.

Although CDP Reti SpA is not required to prepare its own sustainability reporting, either on an individual or consolidated basis, the Company has nevertheless provided the parent company CDP SpA with the necessary information for the preparation of the consolidated Sustainability Disclosure, Corporate Sustainability Reporting Directive (CSRD), included in the CDP Group’s Management commentary.

11. Events occurring after the closing date of December 31, 2025.

Concerning the main events that occurred after the closing date of the accounting period, we hereby point out:

- the receipt, on 21 January 2026, of the interim dividend for the 2025 financial year from SNAM, amounting to approximately Euro 127 million.

12. Conclusions

Within the context of the supervision activity carried out by the Board of

Statutory Auditors, neither infringements nor irregularities have arisen.

With specific regard to the Financial Statements' project related to the accounting period closed on December 31st, 2025, drawn up by the Board of Directors, including Management Commentary, and submitted to Shareholders' Meeting approval, the Board of Statutory Auditors, by paying attention to specific tasks carried out by the Auditing Company, concerning accountancy supervision and inspection on Financial Statements' reliability, and after having acknowledged the contents of the reports released by said Auditing Company together with statements jointly released by the Managing Director and the Executive in charge, has no observations to deliver to Shareholders' Meeting. Therefore, the Board of Statutory Auditors unanimously reckons that there are no impediments to the approval of Financial Statements closed on December 31st, 2025 by the Shareholders' Meeting; furthermore, it is in agreement with the Board of Directors' proposition concerning the allocation of profit for the year.


Rome, dated April , 2026


Board of Statutory Auditors

Mrs. Florinda Aliperta

Mrs. Paola Dinale

Mr. Paolo Sebastiani

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REPORT OF THE INDEPENDENT AUDITORS



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INDEPENDENT AUDITOR'S REPORT PURSUANT TO ARTICLE 14 OF LEGISLATIVE DECREE No. 39 OF JANUARY 27, 2010 AND ARTICLE 10 OF THE EU REGULATION 537/2014

To the Shareholders of
CDP RETI S.p.A.

REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS

Opinion

We have audited the financial statements of CDP RETI S.p.A. (the "Company"), which comprise the balance sheet as at December 31, 2025, the income statement, the statement of comprehensive income, the statement of changes in equity and the statement of cash flows for the year then ended, and the notes 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 and the requirements of national regulations issued pursuant to art. 9 of Italian Legislative Decree no. 38/05.

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISA Italia). Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the 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.

Key Audit Matters

There are no key audit matters to communicate in this report.

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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 the requirements of national regulations issued pursuant to art. 9 of Italian Legislative Decree no. 38/05 and, within the terms established by law, for such internal control as the Directors determine is necessary to enable the preparation of 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.

Other information communicated pursuant to art. 10 of the EU Regulation 537/2014

The Shareholders' Meeting of CDP RETI S.p.A. has appointed us on May 10, 2019, as auditors of the Company for the years from December 31, 2020 to December 31, 2028.

We declare that we have not provided prohibited non-audit services referred to in art. 5 (1) of EU Regulation 537/2014 and that we have remained independent of the Company in conducting the audit.

We confirm that the opinion on the financial statements expressed in this report is consistent with the additional report to the Board of Statutory Auditors, in its role of Audit Committee, referred to in art. 11 of the said Regulation.

REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

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 CDP RETI S.p.A. are responsible for the preparation of the report on operations and the information pursuant to art. 123-bis, paragraph 2 (b), of Legislative Decree 58/98 contained in the section related to the report on corporate governance and ownership structure of CDP RETI S.p.A. as at December 31, 2025, including their consistency with the related financial statements and their compliance with the law.

We have carried out the procedures set forth in the Auditing Standard (SA Italia) n. 720B in order to:

- express an opinion on the consistency of the report on operations and of some specific information contained in the section related to the report on corporate governance and ownership structure set forth in art. 123-bis, paragraph 4, of Legislative Decree 58/98 with the financial statements;
- express an opinion on the compliance with the law of the report on operations and of some specific information contained in the section related to the report on corporate governance and ownership structure set forth in art. 123-bis, paragraph 4, of Legislative Decree 58/98;
- make a statement about any material misstatement in the report on operations and of some specific information contained in the section related to the report on corporate governance and ownership structure set forth in art. 123-bis, paragraph 4, of Legislative Decree 58/98.

In our opinion, the report on operations and the information pursuant to art. 123-bis, paragraph 2 (b), of Legislative Decree 58/98 contained in the section related to the report on corporate governance and ownership structure are consistent with the financial statements of CDP RETI S.p.A. as at December 31, 2025.

In addition, in our opinion, the report on operations and the information pursuant to art. 123-bis, paragraph 2 (b), of Legislative Decree 58/98 contained in the section related to the report on corporate governance and ownership structure are prepared in accordance with the law.

With reference to the statement referred to in art. 14, paragraph 2, sub-paragraph e-ter), of Legislative Decree 39/10, made on the basis of the knowledge and understanding of the entity and of the related context acquired during the audit, we have nothing to report.

DELOITTE & TOUCHE S.p.A.

Signed by
Enrico Pietrarelli
Partner

Rome, Italy
April 24, 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.

CERTIFICATION OF THE SEPARATE FINANCIAL STATEMENTS

pursuant to Article 154 bis of Legislative Decree 58/1998 and to article 81-ter of CONSOB Regulation 11971/1999

1. The undersigned Dario Scannapieco, in his capacity as Chief Executive Officer, and Alessandro Uggias, in his capacity as Financial Reporting Manager of CDP RETI S.p.A., hereby certify, taking into account the provisions of article 154-bis, paragraphs 3 and 4, of Legislative Decree no. 58 of 24 February 1998:
 - the appropriateness with respect to the characteristics of the company; and
 - the actual application of the administrative and accounting procedures for the preparation of the separate financial statements during 2025.
2. The assessment of the appropriateness of the administrative and accounting procedures adopted in preparing the separate financial statements at 31 December 2025 was based on a process developed by CDP RETI S.p.A. in line with the Internal Control - Integrated Framework model issued by the Committee of Sponsoring Organisations of the Treadway Commission, which is a generally accepted framework at international level.
3. In addition, it is hereby certified that:
 - 3.1 the separate financial statements at 31 December 2025:
 - have been prepared in compliance with the applicable international accounting standards endorsed by the European Union pursuant to Regulation (EC) no. 1606/2002 of the European Parliament and of the Council of 19 July 2002;
 - correspond to the information in the books and other accounting records;
 - give a true and fair view of the performance and financial position of the issuer.
 - 3.2 the Report on Operations contains a reliable analysis of operations and performance, as well as the situation of the issuer, together with a description of the main risks and uncertainties to which it is exposed.

Rome, 24 April 2026

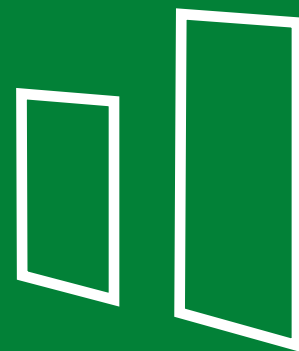
Chief Executive Officer

Dario Scannapieco

Financial Reporting Manager

Alessandro Uggias

5 RESOLUTION OF THE SHAREHOLDER'S MEETING



RESOLUTION OF THE SHAREHOLDER'S MEETING

The Ordinary Shareholders' Meeting of CDP RETI, held on 19 May 2026 and chaired by Giovanni Gorno Tempini, approved the separate financial statements for 2025. In particular, the shareholders' meeting resolved:

"(...) to approve the following allocation of profit for the period, amounting to 556,595,376.45 euro:

- 393,815,514.24 euro to offset the interim dividend for 2025, paid by 5 December 2025;
- 162,717,772.32 euro - gross of any withholding tax - as the final dividend for 2025, to be distributed at 24.51 euro for each of the 6,638,832 shares outstanding as at 31 December 2025;
- 61,198.53 euro to retained earnings; and
- 891.36 euro to increase the legal reserve."

Summary table of the allocation of net income for the year

Below is the summary table of the allocation of net income for the year:

<u>(euro)</u>	
Net Income	556,595,376.45
Total Dividend	556,533,286.56
Advance on the dividend	393,815,514.24
Balance of the dividend	162,717,772.32
Legal Reserve	891.36
Retained earnings	61,198.53
Dividend per share	83.83
Advance on the dividend	59.32
Balance of the dividend	24.51

CDP RETI S.p.A.

Registered office

Via Goito 4

00185 Rome - Italy

Share capital Euro 165.970,80 i.v.

Chamber of Commerce in Rome no. REA 1349016

Tax Code, VAT and Company Register of Rome no. 12084871008

The company is managed and coordinated by Cassa depositi e prestiti societa per azioni, Via Goito n. 4, 00185 Rome – Share capital euro 4.051.143.264,00 fully paid-in – Rome Chamber of Commerce REA 1053767, Fiscal code and Company Registrar 80199230584 – VAT no. 07756511007

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