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Oggetto : The BoD approves the Financial statements and the Report on Corporate Governance and Ownership as at 31/12/24

*Testo del comunicato*

Vedi allegato



## Press release

**The Board of Directors approves the Consolidated Financial Integrated statements at 31.12.2024  
The report on corporate governance and ownership has been approved at 31.12.2024**

**The “Value over Volume” strategy is confirmed for 2025-2026**

**A dividend of EUR 1 per share has been proposed**

### Year 2024

**Adjusted consolidated EBITDA<sup>1</sup>: EUR 535 million, EUR 534 million in 2023**

**Adjusted Group net profit : EUR 175 million, EUR 226 million in 2023<sup>2</sup>**

### Fourth quarter 2024

**Adjusted consolidated EBITDA: EUR 145 million, EUR 159 million in the fourth quarter of 2023**

**Adjusted Group net profit: EUR 45 million, EUR 77 million in the fourth quarter of 2023**

**2024 Financial Results** – ERG recorded a 2024 EBITDA of EUR 535 million, substantially in line with the EUR 534 million of the same period of 2023, thanks to the significant contribution of the investments made during the year, which made it possible to offset extraordinarily unfavourable wind conditions.

**Solid execution** – +579 MW of new installed wind and solar capacity in the year through a balanced mix of organic growth, both repowering and greenfield, and M&A. The asset portfolio had reached over 3.8 GW by the end of 2024.

**Route-to-market strategy** – Between the end of 2024 and the beginning of 2025, five long-term Power Purchase Agreements (PPAs) have been signed with leading corporates and utilities, totalling approximately 500 GWh/year. The renewable energy produced by our farms and sold by the Group through long-term agreements amounts to approximately 3.3 TWh/year.

**Strategy: Value over Volume approach strengthened** – The Board of Directors approved the update of the Industrial Plan for the period 2025-2026, strengthening the “Value over Volume” approach aimed at maximising the return on investments through selective growth. Given the extended waiting times for the approval of the FERX Decree, as well as a more cautious approach in the US while awaiting clearer policy directions from the new administration, Capex has been reduced by 20% for the 2024-2026 period to EUR 1 billion. Therefore, the asset portfolio growth target has been set to 4.2 GW by 2026 (previously at 4.5 GW), with a stronger focus on assets currently under construction, repowering initiatives and the pipeline of organic projects. Expected EBITDA at the end of the period exceeding EUR 600 million. The target of an 85-90% quasi-regulated EBITDA has been confirmed, along with the commitment to maintaining an investment-grade rating.

**Focus on Wind Repowering** – Repowering, a key tool for the energy transition in which the Group is a pioneer, remains central to ERG’s growth strategy. The Group has already brought 269 MW into operation, with 29 MW currently under construction in France and Germany, and a project pipeline of approximately 800 MW, of which 380 MW have already received authorisation.

<sup>1</sup> It should be noted that, starting from 2024, the adjusted operating results include the accounting impacts of IFRS 16. Comparative results for 2023 and the fourth quarter of 2023 have therefore been restated consistent with the new approach defined by the Group.

<sup>2</sup> It should be noted that the adjusted profit attributable to owners of the parent, for the comparative period, refers to the scope of “Continuing operations” and therefore does not include the contribution of the thermoelectric business sold on 17 October 2023.

**Sustainable finance** – The European Investment Bank (EIB) financed the ERG group with EUR 243 million to promote the development of renewable energy in Italy, France and Germany.

**ESG Strategy** – The Board of Directors has approved the update of the ESG Plan for the period 2025-2026. Sustainability remains at the heart of the Group's strategy. Commitment to the NetZero by 2040 goal and the promotion of D&I policies to promote an inclusive work environment are confirmed.

**First Edition of the Consolidated Integrated Reporting** – In line with the requirements of the new CSRD, ERG has prepared, for the first time, the Integrated Reporting, which includes the Non-Financial Information within the Directors' Report, according to the new ESRS reporting standards. The Executive Summary of the non-financial report, which summarises the strategic approach to Sustainability, was published today.

**Shareholders Remuneration Policy and Buy-back** – The annual dividend is confirmed at EUR 1 per share, with flexibility to increase the remuneration also through buy-backs based on performance and growth prospects. Shareholders will receive a dividend of 1 euro per share in 2025, and a buyback program worth a total of 23 million euros (0.15 euros per share) carried out between November 2024 and January 2025.

**2025 Guidance** – In light of the current context and already factoring in the continued unfavourable wind conditions in the first two months of 2025, we forecast an EBITDA for 2025 between EUR 540 and 600 million, capital expenditure between EUR 190 and 240 million, and net debt between EUR 1.850 and 1.950 million.

**Genoa, 11 March 2025** – The Board of Directors of ERG S.p.A., in its meeting today, approved the integrated consolidated financial statements, the draft financial statements at 31 December 2024, the report on corporate governance and the ownership structure at 31 December 2024, the report on the remuneration policy and fees paid, and the update of the Industrial and ESG Plan for 2025-2026.

The Board of Directors proposes to the Shareholders' Meeting, which will be convened for 22 April 2025 on first call and, if necessary, for 23 April 2025 on second call, the distribution of a dividend equal to EUR 1 per share which will be paid as from 21 May 2025 (payment date), with an ex-dividend date as from 19 May 2025 (ex date) and record date of 20 May 2025.

### **Adjusted consolidated performance results**

IV Quarter			Key Economic data	Year		
2024	2023	Var %	(Euro millions)	2024	2023	Var %
145	159	-9%	EBITDA	535	534	0%
75	103	-27%	Operating profit (EBIT)	271	312	-13%
45	77	-42%	Adjusted Group Net Profit	175	226	-22%
				31.12.2024	31.12.2023	Variation
Net financial indebtedness before IFRS 16				1.793	1.445	348
Financial Leverage before IFRS 16				45%	40%	

**Paolo Merli, Chief Executive Officer of ERG, commented:** *“The results of 2024 and, in particular, of the last quarter, were affected by wind levels that were considerably lower than last year and the historical averages for the period. This phenomenon, at the operating margin level, was fully offset by the contribution of the new installed capacity, which increased by approximately 580 MW, with over 300 MW in the United States. During the year, we also closed significant PPA agreements with leading industrial counterparts to stabilise our revenues. Our investment grade rating has been confirmed, we successfully issued a new green bond and signed our first financing agreement with the EIB. In updating the 2024-2026 plan, we have strengthened the selective “Value over Volume” approach, which was introduced last year, by reducing investments for the next two years and focusing on assets currently under construction, organic development and Repowering. Despite less investments, we continue to expect an EBITDA of over EUR 600 million in 2026. We confirm the annual dividend of EUR 1 per share, while maintaining the flexibility to enhance shareholder returns through additional buy-backs.”*

### **Updated strategy and objectives for the 2025-2026 period**

With the update to its business strategy, ERG confirms and strengthens its “Value over volume” approach, based on selective and flexible growth that aims to seize the highest value business opportunities. The Group thus renews its commitment to the development of renewables and decarbonised storage technologies thanks to its vision and consolidated experience in this market.

The goal is to reach an installed capacity of 4.2 GW by 2026, with growth ensured for more than 50% by projects that are already completed or under construction. We expect a 20% decrease in total investments of approximately EUR 1.0 billion for the period 2024-2026, with an EBITDA of EUR 600 million by 2026. The strategy will focus on the pipeline of assets currently under construction, stemming from the development of the 5 GW organic project pipeline, with particular attention to the regions where we are already present. Asset rotation represents a growth lever aimed at maximising the value of our investments.

Our technological diversification strategy continues, with an increased focus on battery storage (BESS) projects and hybridisation of wind and solar plants. This approach aims to enhance asset portfolio flexibility by integrating solar and wind power generation with systems capable of balancing production and improving efficiency. The digitalisation of our wind and solar assets will further optimise performance.

As far as Route-to-Market is concerned, the Group intends to leverage its consolidated experience in energy management to optimise its market access strategy. We reaffirm our commitment to achieving the target of 85%-90% of quasi-regulated EBITDA through long-term support mechanisms, particularly government CFDs and PPAs with leading corporate counterparties across the various geographies in which we operate. These long-term contractual arrangements remain fundamental tools for addressing ongoing market volatility.

ERG maintains a solid financial structure, capable of supporting both growth and shareholder remuneration in a sustainable manner. The commitment is to increase the buy-back, depending on annual performance, while maintaining the Investment Grade rating.

### **Change in business scope during the period**

- **Wind/Solar – France:**

On 28 December 2023, ERG, through its subsidiary ERG Eolienne France SAS, has signed an agreement with QEnergy France SAS, a leading operator in the renewable energy sector in France, for the acquisition of 100% of CEPE Renouvellement Haut Cabardès SAS, a company that owns a 73.2 MW wind and solar portfolio in France. The portfolio of plants subject to the acquisition consists of two photovoltaic systems, which entered into operation between June and September 2022, for a total of 20.4 MWp of installed capacity, a 28.8 MWp photovoltaic system that entered into operation at the end of June and a 24 MW wind farm in phase following repowering. The total estimated output is about 125 GWh annually, equivalent to 64 kilotons of CO<sub>2</sub> emissions avoided. The two operational solar plants and the wind farm benefit from a tariff regime with a 20-year CfD, while the production of the photovoltaic park, which began operation at the end of the second quarter of 2024, is linked to a 15-year PPA with a leading corporate counterparty.

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

- **Wind/Solar – USA**

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

This transaction represents the Group's first step into the overseas market and involved the creation of a holding company under US law into which a wind farm and a solar plant, both in operation, for a total of 317 MW of installed capacity and an estimated output of approximately 1 TWh have been conferred, as well as a cooperation agreement relating to approximately 1 GW of new onshore solar and wind projects under development in the United States. The holding company is 75% owned by ERG and 25% by Apex, which continues with the operational management of the assets. The portfolio consists of a 224.4 MW onshore wind farm located in Iowa that entered into operation in the first half of 2023, with an estimated annual output of over 800 GWh, and a 92.4 MW photovoltaic system located in Illinois that entered into operation in the second half of 2022, with an estimated annual output of over 150 GWh, equal to a total of 387 kt of CO<sub>2</sub> avoided. Both plants are part of the Midcontinent Independent System Operator (MISO),

the largest US electricity market in terms of geographical area and second largest in terms of installed capacity. The two plants benefit from Tax Equity agreements with financial counterparties and were debt-free at closing, except for those related to the structure deriving from the Tax Equity Partnership agreements. Revenue is secured by long-term sales contracts (PPAs) signed with leading corporate counterparties. The consideration for the acquisition of the majority stake of 75% was equal to USD 270 million. This press release reflects the impact of the line-by-line consolidation of the wind and solar portfolio as of 1 April 2024.

During the year, the following came into operation:

- the Roccapalumba wind farm, in the province of Palermo, with a total capacity of 47 MW, which was developed and constructed in-house. The farm's output is enhanced through the Power Purchase Agreement (PPA) signed with Google;
- the photovoltaic park in France with a total capacity of 28.8 MW, acquired as part of the recent Falcon acquisition;
- the Mineo-Militello-Vizzini wind farm in Sicily with a total capacity of 101 MW (+51 MW incremental), the third and largest Repowering project in the Group's plant portfolio;
- the Salemi-Castelvetrano wind farm, located in the province of Trapani, the Group's fourth repowering project in Italy. The wind farm has a total installed capacity of 75.6 MW (+50 MW incremental).
- two *greenfield* wind farms in France for a total of 41 MW.

It should also be noted that on 20 December 2024 ERG, through its subsidiary ERG UK Holding Ltd, signed a Share Purchase Agreement (SPA) with BayWa r.e. AG, for the acquisition of 100% of the shares of BayWa r.e. UK (Jubilee) Limited, a company that owns Broken Cross Wind Farm Limited, which owns a 43.2 MW onshore wind farm in South Lanarkshire, Scotland. The wind farm, which entered into operation in the fourth quarter of 2024, consists of nine Nordex N133 turbines, each with a capacity of 4.8 MW and benefits from a 15-year Contract for Difference (CfD) awarded in the AR4 auction, in line with the Group's revenue securitisation strategy. The annual production is estimated at approximately 120 GWh, equivalent to 46 kt of CO2 emissions avoided each year, equal to the energy needs of over 28,000 households. The enterprise value of the transaction amounts to GBP 60 million and the closing of the transaction was completed in January 2025. Therefore, this press release does not yet reflect the impacts of the company's consolidation.

## Comments on the performance for the period

### Fourth quarter 2024

In the fourth quarter of 2024, **adjusted revenue** amounted to EUR 196 million, down from EUR 220 million in 2023, due to significantly lower wind levels compared to historical averages in Europe, despite the contribution of newly installed capacity (+579 MW, of which 317 MW in the USA).

In fact, production amounted to 1.8 TWh, down compared to the fourth quarter of 2023 (-0.1 TWh), which was marked by low wind levels in operating assets (-0.5 TWh, -24% on a like-for-like basis), only partially offset by the contribution of new assets (+0.4 TWh, of which +0.2 TWh in the USA).

**Adjusted EBITDA**, net of special items, amounted to EUR 145 million, down compared with the EUR 159 million (-9%) recorded in the fourth quarter of 2023.

### ITALY

- **Wind (EUR +4 million):** EBITDA amounted to EUR 75 million, up from EUR 71 million in the fourth quarter of 2023, driven by higher unit sales revenue due to the GRIN incentive (zero in 2023) and the contribution of newly installed capacity (148 MW), despite the significantly low wind conditions recorded during the quarter. Total production amounted to 671 GWh compared to 812 GWh in the same period of 2023, due to significantly lower wind conditions (-31% on a like-for-like basis), partially offset by the contribution from newly commissioned assets (+109 GWh).
- **Solar (EUR +2 million):** EBITDA of EUR 12 million, up compared to the fourth quarter of 2023 (EUR 11 million) due to higher sales prices, which benefited from forward sales carried out in line with Group policies. Output amounted to 37 GWh, essentially in line with the 39 GWh recorded in the fourth quarter of 2023.

### ABROAD

- **Wind (EUR -19 million):** EBITDA amounted to EUR 60 million, down from EUR 79 million in the fourth quarter of 2023, primarily in France, Germany and the UK, due to significantly lower wind conditions compared to historical averages and lower selling prices, despite the contribution from new assets (290 MW). Total production amounted to 1,032 GWh compared to 1,003 GWh in the same period of 2023, due to significantly lower wind conditions (-22% on a like-for-like basis), offset by the contribution from newly commissioned assets (+252 GWh).
- **Solar (EUR +1 million):** EBITDA amounted to EUR 4 million, up slightly from EUR 3 million in the fourth quarter of 2023, due to the new acquisitions (142 MW), partially offset by lower selling prices. Production amounted to 107 GWh in 2024, compared to 70 GWh in the fourth quarter of 2023, mainly due to the acquisitions made during the year (+42 GWh).

Overall, the effect of lower volumes recorded amounted to approximately EUR 60 million, partially offset by the contribution from installed capacity (around EUR +25 million), the benefit from the GRIN incentive in Italy, and cost optimisations.

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

**Adjusted EBIT** amounted to EUR 75 million (EUR 103 million in the first quarter of 2023). Depreciation and amortisation amounted to EUR 70 million, up from the fourth quarter of 2023 (EUR 56 million) and mainly reflecting the full contribution of new assets acquired (EUR 8 million) and developed internally (EUR 3 million).

The **Adjusted profit attributable to owners of the parent** was EUR 45 million, down from the fourth quarter of 2023 (EUR 77 million<sup>3</sup>), and reflects, in addition to the previously discussed operating results, higher financial expenses (EUR +7 million) mainly due to the accounting impact of the Tax Equity Partnership in the US portfolio and lower taxes amounting to EUR 3 million.

<sup>3</sup> The comparative figure for 2023 refers to the profit of continuing operations attributable to owners of the parent, therefore not including the contribution of the thermoelectric business, sold on 17 October 2023.



## Comments on the year performance

In 2024, **adjusted revenue** amounted to EUR 738 million, a slight decrease compared to 2023 (EUR 741 million). The lower wind conditions recorded during the period, which were significantly below historical averages, were largely offset by the contribution from the new capacity brought into operation (579 MW).

The weaker market conditions observed in the first part of the year had only a partial impact on the results, as the Group follows a hedging policy that includes sales through fixed tariffs, Power Purchase Agreements (PPAs) with predetermined price conditions, and financial contracts.

Production amounted to 7.0 TWh, an increase of 0.8 TWh compared to 2023, thanks to 1.4 TWh from the contribution of new assets brought into operation, partially offset by the lower wind conditions recorded on the assets in operation (-0.5 TWh, -9% on a like-for-like basis).

**Adjusted EBITDA**, net of special items, stood at EUR 535 million, substantially in line with the EUR 534 million recorded in 2023.

### ITALY

- **Wind (EUR +30 million):** EBITDA amounted to EUR 250 million, up from EUR 220 million in 2023, driven by higher unit revenue from the GRIN incentive (zero in 2023) and the addition of new installed capacity (148 MW), despite the significantly lower wind conditions during the period. Total production amounted to 2.5 TWh compared to 2.5 TWh in the same period of 2023, due to significantly lower wind conditions (-0.3 TWh, -13% on a like-for-like basis), partially offset by the contribution from newly commissioned assets (+0.3 TWh).
- **Solar (EUR +10 million):** EBITDA amounted to EUR 90 million, up from EUR 79 million in 2023, driven by sales prices that benefited from forward sales made in line with the Group's policies. This was partially offset by lower production due to plant shutdowns for revamping activities. Output amounted to 241 GWh in 2024 compared to 256 GWh in 2023.

### ABROAD

- **Wind (EUR -38 million):** EBITDA of EUR 192 million, a decrease compared to EUR 230 million in 2023, primarily due to significantly lower wind conditions during the period and reduced prices achieved, particularly in France and Germany, partially offset by the new installed capacity (290 MW). Total production amounted to 3,5TWh compared to 3,0 TWh in the same period of 2023, due to lower wind conditions (-0.2 TWh, -6% on a like-for-like basis), more than offset by the contribution from newly commissioned assets (+0.7 TWh).
- **Solar (EUR -2 million):** EBITDA of EUR 24 million, a decrease compared to EUR 26 million in 2023, primarily due to lower electricity prices in Spain, partially offset by the scope impact resulting from acquisitions (142 MW). Production was 0.7 TWh in 2024, up from 0.3 TWh in 2023, largely due to the contribution from new assets coming online (0.4 TWh), despite a -3% decrease on a like-for-like basis.

Overall, the contribution from the new installed capacity (around EUR +75 million) is largely offset by the lower volumes recorded, mainly in the fourth quarter.

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

**Adjusted EBIT** amounted to EUR 271 million (EUR 312 million in 2023). Depreciation and amortisation amounted to EUR 263 million, up from 2023 (EUR 223 million) and reflecting the full contribution of new assets acquired during the period (EUR 26 million) and developed internally (EUR 14 million).

The **Adjusted Group Net Profit** was EUR 175 million, down from 2023 (EUR 226 million<sup>4</sup>), and reflects, in addition to the previously discussed operating results, higher financial expenses (EUR +14 million) mainly due to the accounting impact of the Tax Equity Partnership in the US portfolio and lower taxes amounting to EUR 4 million.

The **Reported profit attributable to the owners of the parent** totalled EUR 187 million, including the positive net tax impacts of special items, up from EUR 179 million in 2023<sup>5</sup>.

<sup>4</sup> The comparative figure for 2023 refers to the profit of continuing operations attributable to owners of the parent, therefore not including the contribution of the thermoelectric business, sold on 17 October 2023.

<sup>5</sup> It should be noted that the Reported profit attributable to owners of the parent for 2023 included the contribution of the thermoelectric business, sold on 17 October 2023.

The **net financial indebtedness before IFRS 16** totalled **EUR 1,793 million**, a significant increase (EUR +348 million) compared to 31 December 2023 (EUR 1,445 million).

The change mainly reflects the effects of capital expenditure and acquisitions carried out during the year (EUR 553 million), the distribution of dividends to shareholders (EUR 152 million), tax payments (EUR 39 million), and the two share buy-back programmes (EUR 47 million), partially offset by the positive operating cash flow for the period (EUR 485 million<sup>6</sup>).

**Net financial indebtedness after IFRS 16** includes the liabilities (pursuant to IFRS 16) relating to the discounting of future lease payments equal to EUR 229 million at 31 December 2024 (EUR 172 million at 31 December 2023). The increase in the period is attributable to the scope effect due to the acquisitions of wind farms and photovoltaic systems in the United States and in France and the new wind farms developed internally.

### Capital expenditure

IV Quarter			Investments (Euro millions)	Year		
2024	2023			2024	2023	
30	82	(52)	Italy	135	219	(84)
21	28	(7)	Foreign Countries	413	265	148
6	8	(1)	France	142	25	117
6	2	3	Germany	9	3	7
7	15	(7)	UK & Nordics	26	45	(19)
0	2	(2)	Spain	0	190	(190)
0	2	(2)	East Europe	0	2	(2)
1	0	1	USA	236	0	236
2	2	(0)	Corporate	5	4	0
53	112	(60)	Total investments	553	489	64

In the fourth quarter of 2024, capital expenditure amounted to EUR 53 million (EUR 112 million in the fourth quarter of 2023) and mainly related to investments in property, plant and equipment and intangible assets associated with the repowering of Italian wind farms, resulting in approximately 76 MW of new capacity commissioned in the fourth quarter of 2024. Additionally, investments were directed toward the construction of greenfield parks in France (18 MW) and the UK (47 MW), as well as the repowering of a wind farm in Germany (6 MW).

In 2024, **capital expenditure** totalled EUR 553 million (EUR 489 million in 2023) and related to **capital expenditure in property, plant and equipment and intangible assets** for the acquisition of a portfolio of wind and solar farms in the United States (317 MW)<sup>7</sup>, and in France (73 MW), the repowering of Italian wind farms with approximately 177 MW of new installed capacity commissioned during 2024, the construction of greenfield farms in Italy (47 MW), France (59 MW), of which 41 MW were commissioned in 2024, and the UK (47 MW), the repowering of a wind farm in Germany (6 MW), and the launch of activities for the first storage project (13 MW).

### Performance by country

4th Quarter				Electricity Output (GWh)	Full Year			
2024	2023	Δ	Δ%		2024	2023	Δ	Δ%
708	851	-143	-17%	Power output in Italy	2.720	2.784	-64	-2%
671	812	-141	-17%	- wind	2.479	2.528	-49	-2%
37	39	-2	-5%	- solar	241	256	-15	-6%
1.140	1.074	66	6%	Power output Abroad	4.239	3.354	884	26%
1.032	1.003	29	3%	- wind	3.514	3.046	468	15%
107	70	37		- solar	725	309	417	135%
1.848	1.925	-77	-4%	ERG plants total output	6.959	6.139	820	13%

<sup>6</sup> It includes the adjusted EBITDA and the change in working capital.

<sup>7</sup>The acquisition was finalised in April 2024.



## Fourth quarter 2024

### ITALY

In the **fourth quarter of 2024, electricity generation in Italy** amounted to 708 GWh, including 671 GWh from wind power and 37 GWh from photovoltaic plants. This represents a decline compared to the same period in 2023 (851 GWh, with 812 GWh from wind and 39 GWh from solar), as it experienced in the fourth quarter 2024 significantly lower wind levels. This effect is only partially offset by the production deriving from the new installed capacity (+109 GWh).

### ABROAD

In the **fourth quarter of 2024, electricity production abroad** amounted to 1,140 GWh, of which 1,032 GWh from wind power and 107 GWh from solar power. This represents an increase compared to the same period in 2023 (1,074 GWh, of which 1,003 GWh from wind power and 70 GWh from solar power), primarily driven by contributions from new acquisitions made in 2023 in Spain (11 GWh) and in the first months of 2024 in the United States (240 GWh) and France (43 GWh). Additionally, the commissioning of new greenfield plants in France in the second half of 2024 contributed to the increase, partially offset by lower wind conditions compared to a historically above-average fourth quarter in 2023.

## Year 2024

### ITALY

In **2024, electricity generation** in Italy totalled 2,720 GWh, including 2,479 GWh from wind power and 241 GWh from photovoltaic plants. This marks a decline compared to 2023 (2,784 GWh, with 2,528 GWh from wind and 256 GWh from solar), mainly due to lower wind conditions. However, this decrease was only partially offset by the full contribution of repowered and greenfield plants that came into operation between the second half of 2023 and throughout 2024 (+280 GWh).

**Revenue in 2024** increased primarily due to the value of the GRIN incentive (42 EUR/MWh), compared to 2023 when the GRIN was zero. This growth was also supported by the full contribution of repowered and greenfield plants that came into operation. However, the increase was partially offset by the significantly lower wind conditions during the period.

In light of the above, for ERG the net unit revenue from wind power in Italy, considering the sale value of energy, including the value of incentives (former green certificates) and hedges as well as other minor components, was equal to 125 EUR/MWh (109 EUR/MWh in 2023).

Net unit revenue from photovoltaic systems amounted to 399 EUR/MWh (342 EUR/MWh in 2023), up due to hedging set at higher prices than 2023 and higher feed-in tariff revenue due to "incentive allocation".

**Adjusted EBITDA** in Italy in **2024** amounted to EUR 339 million, up compared to 2023 (EUR 299 million).

Depreciation and amortisation for the period (EUR 126 million) was up compared to 2023 (EUR 121 million) due to the full contribution of the repowered and greenfield plants that came into operation.

### ABROAD

In **2024, electricity generation abroad** amounted to 4,239 GWh, of which 3,514 GWh from wind power and 725 GWh from solar power), up from the same period in 2023 (3,354 GWh of which 3,046 GWh from wind and 309 GWh from solar), mainly due to the perimeter effect (+1,077 GWh) resulting from the contribution of wind farms acquired in 2023 and the early months of 2024 in Spain, the United States, and France, the commissioning of two new greenfield parks in France in the second half of 2024, as well as the full contribution of assets in the UK and Sweden, which were in the commissioning or production ramp-up phase in the early months of 2023. This effect was partially offset by lower wind conditions compared to 2023.

## France

In **2024, electricity production** in France amounted to 1,210 GWh, of which 1,084 GWh came from wind power and 126 GWh from solar plants. This represents a decrease compared to 2023 (1,315 GWh, with 1,219 GWh from wind power and 96 GWh from solar plants), due to lower wind conditions during the period compared to the exceptionally high production in 2023, partially offset by scope expansion (+125 GWh).

**Revenue** recorded in **2024** amounted to EUR 100 million, down from EUR 124 million in 2023 due to lower captured prices and reduced volumes. This decline was partially offset by the scope expansion resulting from the acquisition completed at the beginning of 2024 and the greenfield parks that became operational in the third quarter of 2024.

Net unit revenue from wind power in France, equal to 82 EUR/MWh, was down compared to 2023 (93 EUR/MWh) due to the contraction in market prices, which had only a limited impact as most of the wind farms still benefit from the two-way incentive mechanism.

Net unit revenue from photovoltaic plants amounted to 81 EUR/MWh, down from 96 EUR/MWh in the previous year. This decrease is mainly due to the newly acquired parks selling primarily on the market while awaiting entry into the incentive tariff scheme.

The **adjusted EBITDA** in France in **2024** amounted to EUR 51 million, down compared to 2023 (EUR 81 million), for the same reasons linked to revenue.

**Depreciation and amortisation** for the period (EUR 46 million) was up compared to 2023 (EUR 40 million) due to the contribution of the wind farms acquired in 2024 (24 MW) and those developed internally (41 MW).

### Capital expenditure

Capital expenditure in France for **2024 (EUR 142 million)** mainly relates to the acquisition of wind and solar plants totalling 73 MW in January 2024 (EUR 84 million), as well as the development and construction of new wind farms (59 MW), of which 41 MW became operational in the third quarter of 2024, with the remaining capacity expected to come online in early 2025.

## Germany

In **2024, electricity production** in Germany amounted to 568 GWh, down from 629 GWh in 2023 due to lower wind conditions recorded in the fourth quarter.

**Revenue** recorded in **2024** amounted to EUR 55 million, a significant decrease compared to 2023 (EUR 89 million), mainly due to lower wind conditions during the period and the lower prices achieved, as the 2023 production reflected very high hedge prices.

Net unit revenue from wind power Germany, equal to 92 EUR/MWh, was therefore down compared to 2023 (140 EUR/MWh).

**Adjusted EBITDA** in Germany in **2024** amounted to EUR 34 million, down compared to 2023 (EUR 68 million).

### Capital expenditure

Capital expenditure in Germany for **2024 amounted to EUR 9 million**, mainly related to the repowering activities of a wind farm (6 MW), which is expected to be commissioned in the early months of 2025.

## UK & Nordics

In **2024, electricity output** in the UK and Sweden amounted to 588 GWh, up from 2023 (455 GWh), mainly due to the contribution of assets that were in the commissioning or ramp-up phase of generation during 2023 and the increased wind speeds during the period.

**Revenue** recorded in **2024** amounted to EUR 54 million, in line with 2023 (EUR 54 million), mainly due to higher production levels offset by lower captured prices.

Net unit revenue amounted to 60 EUR/MWh, down compared to 2023 (77 EUR/MWh) due to lower sale prices.

**Adjusted EBITDA** in the UK & Nordics area for **2024** amounted to EUR 30 million, a decrease compared to 2023 (EUR 38 million), due to lower revenue from participation in the balancing market and increased costs related to property tax following the removal of the "exemption" on UK wind farms.

Depreciation and amortisation for the period (EUR 17 million) increased compared to 2023 (EUR 13 million) due to the full contribution of the wind farms in the UK & Nordics that became operational during 2023.

## Capital expenditure

Capital expenditure in the UK & Nordics area for **2024 (EUR 26 million)** relate to the construction of a new 47 MW wind farm in Northern Ireland, expected to be operational by the end of 2025.

## Spain

In **2024, electricity production** in Spain amounted to **479 GWh**, up compared to 2023 (213 GWh) mainly due to the scope effect deriving from the wind farms acquired and entered into operation in the second half of 2023 (+266 GWh).

**Revenue** recorded in **2024** amounted to EUR 24 million, down from the previous year (EUR 27 million) due to lower market prices, which were particularly penalised during daylight hours compared to 2023, which had benefited from high hedging prices. As a result, net unit revenue amounted to 47 EUR/MWh, down compared to the previous year (123 EUR/MWh).

This effect was only partially offset by the full contribution of the photovoltaic farms acquired in 2023.

**Adjusted EBITDA** in Spain in **2024** amounted to EUR 15 million, down compared to 2023 (EUR 20 million).

Depreciation and amortisation for the period (EUR 12 million) increased compared to 2023 (EUR 6 million) due to the full contribution of the photovoltaic systems acquired during 2023 (174 MW) and entered into operation during the second half of 2023.

## East Europe (Poland, Romania and Bulgaria)

In **2024, electricity production** in East Europe amounted to 710 GWh, down from 742 GWh in 2023 due to lower wind conditions recorded.

**Revenue** recorded in **2024** amounted to EUR 68 million, showing a decrease compared to 2023 (EUR 73 million), mainly due to lower production levels and a reduction in electricity sale prices.

Average net unit revenue in East Europe amounted to 87 EUR/MWh, down from 2023 (91 EUR/MWh).

It should be noted that from April 2024, the measures introduced by the Romanian government to combat high energy prices (windfall tax) require the Group's plants to sell through PPAs at 400 lei/MWh, which is approximately 80 EUR/MWh (450 lei/MWh in 2023 and until 31 March 2024, equivalent to approximately 90 EUR/MWh).

**Adjusted EBITDA** in East Europe for **2024** is EUR 54 million, an increase compared to 2023 (EUR 49 million). The result also reflects the partial release of provisions (for approximately EUR 9 million, of which EUR 6 million in Romania related to Green Certificates and EUR 3 million in Poland related to clawback measures) due to the reduction of the risks that originally led to their allocation.

## United States

As of 1 April 2024, **energy output** in the US is 684 GWh (of which 563 GWh from wind and 121 GWh from solar).

**Net unit revenue** from wind power amounted to 22 EUR/MWh (52 EUR/MWh including PTCs), and those from solar power to 47 EUR/MWh, and reflected the prices of PPAs contracted with leading corporate counterparties.

Energy sales **revenue** recorded from the date of consolidation amounted to EUR 18 million.

**Revenue and other income (PTCs)** totalled EUR 36 million and includes, in addition to the aforementioned revenue, approximately EUR 19 million relating to the non-monetary income of the Production Tax Credit recognised under "Other income" and calculated on the basis of energy production recorded in the period from the wind farm.

**Adjusted EBITDA** in the United States for **2024** totalled EUR 32 million and was influenced by the price of PPAs and the aforementioned income.

## Significant events during the year

Date	Geographical segment	Sector	Significant event
17 January 2024	Italy	Corporate	ERG is confirmed among the Corporate Knights "Global 100". ERG ranked first among Italian companies, 28th in the 2024 ranking, a significant improvement compared to the 54 <sup>th</sup> position in 2023.
24 January 2024	Italy	Corporate	TIM and ERG: kick-off for the "Missione Ambiente – Generazioni a scuola di Sostenibilità" (Mission Environment – Generations at Sustainability School) project, aimed at promoting the spread of a sustainability culture. The project involved ten Italian cities and included in-depth courses on sustainability, environmental protection and ecological transition for secondary schools.
29 January 2024	France	Wind Solar	Completion of the acquisition of a 73.2-MW wind and solar portfolio in France. The acquisition portfolio consists of two photovoltaic systems in operation (20.4 MW), one in an advanced state of construction (28.8 MW) and a wind farm in the commissioning phase (24 MW).
1 February 2024	Italy	Wind	ERG and Google sign a 20-year agreement for the supply of 2 TWh of renewable energy. The pay-as-produced agreement provides for the supply of renewable energy and guarantees of origin produced by the Roccapalumba wind farm, in the province of Palermo.
6 February 2024	Italy	Corporate	ERG is confirmed as being on the Carbon Disclosure Project's "A list" for the second year.
19 February 2024	Italy	Corporate	Conclusion of the share buy-back programme, launched in the fourth quarter of 2023.
23 February 2024	Italy	Wind	ERG continues to grow in Italy with the completion of the construction and start-up of the greenfield plant at Roccapalumba in Sicily (47 MW).
29 February 2024	Italy	Corporate	The Board of Directors of ERG S.p.A. approved the Policy for Gender Equality, strengthening its commitment to Diversity & Inclusion.
1 March 2024	Italy	Solar	"Social Purpose for Solar Revamping", the project conceived by ERG to guarantee a second life to photovoltaic panels resulting from the revamping activities of its solar systems, was presented today at Key Energy 2024.
13 March 2024	Italy	Corporate	The Board of Directors of ERG S.p.A. has approved the Draft Financial Statements for 2023, the Report on Corporate Governance and ownership, and the consolidated non-financial statement.
9 April 2024	Italy	Corporate	Fitch Ratings agency ("Fitch") confirmed for ERG S.p.A. a Long Term Issuer Default Rating (IDR) of BBB- with stable outlook and a senior unsecured rating of BBB-. (see also Press Release of 7 June 2024).
23 April 2024	Italy	Corporate	The Ordinary Shareholders' Meeting of ERG S.p.A. has approved the Separate Financial Statements at 31 December 2023, resolved the payment of EUR 1 per share, appointed the new Board of Directors, confirmed Edoardo Garrone as the Chairman and approved the long-term incentive plan (2024-2026 LTI System). The Board of Directors, in its meeting on the same date, confirmed Alessandro Garrone as Executive Deputy Chairman, Giovanni Mondini as Deputy Chairman and Paolo Luigi Merli as Chief Executive Officer.
24 April 2024	Italy	Wind	ERG has finalised the third Repowering project with the start-up of the 101-MW wind farm at Mineo-Militello-Vizzini in Sicily.
24 April 2024	United States	Wind Solar	ERG officially enters the US renewables market thanks to the launch of a strategic partnership with APEX Clean Energy (see press release above of 21 December 2023).
15 May 2024	Italy	Corporate	The Board of Directors of ERG S.p.A. approved the Business Plan and the 2024-2026 ESG Plan.
26 June 2024	Italy	Corporate	ERG placed its fourth Green Bond for EUR 500 million, with a 6-year fixed-rate maturity. The issue is in the form of a Green Bond and the proceeds will be earmarked for wind, solar and storage projects located in Europe, the United Kingdom and the United States of America.
10 July 2024	Italy	Corporate	MSCI Inc., one of the world's leading ESG Rating Agencies, has confirmed its "AAA" rating for ERG and its positioning in the "Leader" category. ERG was ranked among the top 14 Utilities internationally among the 137

			companies in the sector analysed by MSCI for ESG performance, and among over 2,800 companies globally.
24 July 2024	France	Wind	ERG completed the construction and started the energisation of the Saint-Maurice-La Clouere wind farm, for a total capacity of 9 MW.
1 August 2024	Italy	Corporate	The ERG Group has achieved the UNI/PdR 125:2022 Gender Equality Certification for its operations in Italy, marking a significant milestone in its commitment to fostering an inclusive culture that ensures equal opportunities for everyone, regardless of gender.
20 August 2024	France	Wind	ERG has completed the construction and started the energisation of the Bourgogne I (Moulins du Bois) greenfield wind farm in the Bourgogne-Franche-Comté region, with an installed capacity of 32.4 MW.
18 September 2024	Italy	Corporate	Fourth 'Social Purpose for Solar Revamping' project launched at Dynamo Camp in Limestone, Pistoia: ERG programme gives second life to solar panels from plant upgrades.
10 October 2024	Italy	Corporate	GRESB, the international rating agency that evaluates companies' ESG performance globally, awarded ERG an overall score of 98/100, ranking it second in Europe in the 'Onshore Wind Power Generation' sector.
28 October 2024	Italy	Corporate	With reference to the news that has appeared in the press in recent days, the ERG Group has clarified that, following a report received in 2023 outlining potentially significant events for the company, it conducted and completed an investigation in the following months in accordance with its Whistleblowing Guidelines, which were approved by the Board of Directors and aligned with market best practices. In carrying out this activity, the company believes it has acted in full compliance with the law and its corporate policies and remains at the complete disposal of the investigating authorities.
2 December 2024	Italy	Wind	ERG has completed the construction and initiated the energisation of the Salemi-Castelvetrano wind farm, located in the province of Trapani, the Group's fourth repowering project in Italy. The park now consists of 18 Vestas turbines, each with a capacity of 4.2 MW (compared to the previous 30 turbines of 850 kW, totalling 25.5 MW), resulting in a total installed capacity of 75.6 MW.
16 December 2024	Italy	Corporate	The European Investment Bank (EIB) financed the ERG group with EUR 243 million to promote the development of renewable energy in Italy, France and Germany. With the exit from the thermoelectric sector in 2023, 100% of the Group's generation is now based on renewable sources.
20 December 2024	Italy	Corporate	ERG and Duferco Energia have signed a 5-year Pay As Produced Power Purchase Agreement (PPA) for the supply of approximately 100 GWh/year of green energy produced by the Rotello wind plant in Molise, with an installed capacity of 42 MW.
20 December 2024	UK & Nordics	Wind	ERG, through its subsidiary ERG UK Holding Ltd, has signed a Share Purchase Agreement (SPA) with BayWa r.e. AG, a leading renewable energy operator, for the acquisition of 100% of BayWa r.e.'s shares. UK (Jubilee) Limited, a company that owns Broken Cross Wind Farm Limited, which owns a 43.2 MW onshore wind farm in Scotland. The enterprise value of the transaction amounts to GBP 60 million and the closing of the transaction was completed in January 2025.



## **Significant events after the reporting date**

<b>Date</b>	<b>Geographical segment</b>	<b>Sector</b>	<b>Significant event</b>
13 January 2025	Italy	Wind	ERG and Engie signed a 5-year Power Purchase Agreement (PPA) for the supply of 44 GWh/year of energy produced by ERG wind farms located in Italy and not subject to tariff incentive schemes.
16 January 2025	UK & Nordics	Wind	ERG, through its subsidiary ERG UK Holding Ltd, has today acquired the entire share capital of BayWa r.e AG from BayWa r.e. UK (Jubilee) Limited, a company that owns Broken Cross Wind Farm Limited, which owns a 43.2 MW onshore wind farm in South Lanarkshire, Scotland.
20 January 2025	Italy	Wind	ERG and Plenitude, a subsidiary of ENI, have signed a 5-year “pay as produced” Power Purchase Agreement (PPA) for the supply of approximately 64 GWh/year of energy produced by ERG wind farms in Italy and no longer subject to tariff incentive schemes.
28 January 2025	Italy	Corporate	ERG is once again at the top of the “Global 100 most sustainable corporations in the world” ranking, created by Corporate Knights. ERG is positioned in 18th place overall, with a significant improvement in the ranking compared to 28th in 2024 and is confirmed as first among Italian companies in the “Global 100” ranking.
4 February 2025	UK & Nordics	Wind	ERG and Amazon have signed a long-term Power Purchase Agreement (PPA). The “pay-as-produced” agreement concerns the supply of energy and REGOs (Renewable Energy Guarantees of Origin) produced by the Corlacky wind farm in Northern Ireland, whose construction will be completed by the end of the fourth quarter of 2025, with subsequent commissioning.
12 February 2025	Italy	Corporate	ERG has been listed as a Top Performer in the prestigious S&P Global Sustainability Yearbook 2025, the annual benchmark ranking recognising leading companies in corporate sustainability.

## **Business Outlook 2025**

The environment in which the Group operates is marked by volatility in both market prices and volumes, with the latter being dependent on the availability of natural resources, wind and sunlight. Commodity and electricity prices have increased in the first months of 2025 compared to those recorded in 2024. In terms of natural resources, the first months of 2025 in Europe have been marked by low wind levels, significantly lower than both the same period in 2024 and the historical averages. Better conditions, both in terms of wind and solar radiation, were instead recorded in our US farms.

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

- 1) electricity produced by PUs that do not have an incentive mechanism and are therefore fully exposed to the risk of market price volatility;
- 2) electricity produced by PUs that are subject to “Feed in Premium” tariffs, or mechanisms that provide for an incentive that is added to the market price;
- 3) any residual hedges are finally attributed to the quantities of electricity subject to for-difference incentive mechanisms, such as the former “green certificate” incentive tariffs (GRIN).  
However, no hedges are envisaged for generation subject to two-way for-difference incentive mechanisms.

The expected outlook for the main operating and performance indicators in 2025 compared to 2024 is as follows.



## Italy

**EBITDA for Wind is expected to increase slightly**, thanks to the full contribution from the Repowering farms that came into operation in 2024, totalling 101 MW (177 MW gross of the decommissioning of old plants), the higher value of the GRIN incentive, which in 2025 stands at 55 EUR/MWh compared to 42 EUR/MWh in 2024, and the higher volumes expected for the year, despite the low wind levels recorded in the first months of 2025. These results are partly offset by the lower prices achieved from the forward hedges carried out in 2024, in line with the Group's policies.

**EBITDA for Solar is expected to see a slight increase** compared to 2024, mainly due to higher volumes from the revamping and repowering activities carried out in 2024, partly offset by lower prices captured from forward hedges made during 2024.

**EBITDA for Wind & Solar in Italy is expected to increase slightly** in 2025 compared to 2024.

## Abroad

**EBITDA for Wind is expected to increase significantly** compared to 2024, mainly due to the scope effect from the full contribution of the acquisition in the USA (224 MW) and two greenfield farms in France (41 MW) that came online in 2024, along with the acquisition made in January 2025 in the UK (43 MW) and the anticipated commissioning in the first half of a greenfield farm in France (18 MW) and a repowering farm in Germany (6 MW). The estimated wind levels take into account the production recorded in the first months of the year, which was characterised by low wind conditions, while for the remainder of the year, they align with historical/statistical averages. Overall, volumes are estimated to be higher than the data recorded in 2024.

**EBITDA for Solar is expected to be largely in line** with 2024, mainly due to the full contribution from the US acquisition (92 MW), which is largely offset by lower prices captured in Spain due to the lower prices of forward hedges.

**EBITDA for Wind & Solar abroad is expected to see a significant increase** compared to 2024.

## 2025 Guidance

For the year 2025, at Group level, EBITDA is estimated in the range between EUR 540 million and EUR 600 million, up from the 2024 result (EUR 535 million).

Capital expenditure is in a range of between EUR 190 and EUR 240 million (EUR 553 million in 2024) and mainly includes the recent acquisition in the UK, the construction of the wind farms expected to be operational between 2025 and 2026.

**Adjusted net financial indebtedness** at the end of 2025 is expected to be in the range between EUR 1,850 million and EUR 1,950 million (EUR 1,793 million at the end of 2024), including the distribution of the ordinary dividend of EUR 1 per share.

## **Further information**

### **Appointment of the new Board of Statutory Auditors**

The Ordinary Shareholders' Meeting will be called upon, among other things, to resolve on the appointment of the members of the Board of Statutory Auditors and the Chairman as well as on the determination of their remuneration on the basis of the proposals made in compliance with the applicable laws, regulations and statutory provisions.

The Board of Directors recommends that these be consistent with the professional commitment required by the office, as well as with the related responsibilities.

In this regard, it is noted that the Board of Directors, with the support of the Nominations and Remuneration Committee, has reviewed the annual fixed remuneration for 2024 granted to the Chairwoman of the Board of Statutory Auditors and the Statutory Auditors, taking as reference both MID CAP companies and those in the FTSE MIB, taking into account the professionalism and commitment required by the office.

The findings of these analyses are included in the Explanatory Report of the Board of Directors on the items on the agenda of the Ordinary Shareholders' Meeting, which will be made available to the public within the terms and in the manner provided for by the applicable regulations.

The guidelines provided to the Shareholders regarding the qualitative composition deemed optimal for the renewal of the supervisory body are already available to the public on the Company's website ([www.erg.eu](http://www.erg.eu)) in the section "Corporate Governance/2025 Shareholders' Meeting" as of 25 February 2025.

### **Purchase and sale of treasury shares**

The Ordinary Shareholders' Meeting will be called upon, among other things, to resolve on the authorisation for the Board of Directors to purchase treasury shares up to a maximum of 15,032,000 ordinary shares, corresponding to 10% of the share capital of ERG, including treasury shares already held by the Company at the date of the Shareholders' Meeting, upon annulment, for the remaining period, of the previous authorisation resolved by the Shareholders' Meeting on 23 April 2024, in order to optimise the capital structure with a view to maximising value creation for Shareholders, also based on available liquidity and, in any case, for any other purpose permitted by the current applicable laws and regulations.

The authorisation will be valid for eighteen months from the date of the resolution. The purchase must be made through the use of distributable profits and available reserves resulting from the latest approved financial statements, in compliance with Article 132 of the Italian Consolidated Finance Act and in accordance with the procedures set out in Article 144-bis, paragraph 1, letter b) of the Issuers' Regulation at a unit price, inclusive of the ancillary purchase costs, not lower than 30% below and not higher than 10% above the closing price of the stock on the day immediately preceding each individual transaction.

The Company currently holds 4,965,240 treasury shares, equal to 3.303% of the share capital.

The Ordinary Shareholders' Meeting will be called upon, among other things, to resolve on the authorisation for the Board of Directors to dispose of treasury shares, all at once or in several steps, for a period of 18 months from the date of the related resolution, upon annulment, for the period still remaining, of the previous authorisation resolved by the Shareholders' Meeting on 23 April 2024, pursuant to Article 2357-ter of the Italian Civil Code, at a unit price not lower than 10% below the closing price of the stock on the day immediately preceding each individual sale. This is with a view to optimising financial leverage and, in any case, may be carried out in any other circumstance in which the sale of shares appears to be consistent with the interests of the Company and Shareholders, as determined by the management body.

### **Report on the remuneration policy and the fees paid**

The Board of Directors has approved the Report on the remuneration policy and the fees paid. The Shareholders' Meeting will be called to resolve pursuant to Article 123-ter of the Consolidated Law on Finance in favour or against:

- the first section of the Report, relating to the Company's policy on remuneration of the members of the management bodies and key managers for financial year 2025 and members of the supervisory bodies. The relative resolution shall be binding;
- the second section of the Report. The relative resolution shall not be binding.

The Report on the remuneration policy and the fees paid will be made available to the public within the terms and according to the procedures set forth by applicable laws and regulations.

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

*The results of the fourth quarter and financial year 2024 will be explained to analysts and investors today at 2.30 p.m. CET during a conference call with relevant webcasting that can be followed by connecting to the Company's website ([www.erg.eu](http://www.erg.eu)); their presentation will be made available on the same website in the “Investor Relations/Presentations” section, at Borsa Italiana S.p.A. and on the authorised storage mechanism eMarket Storage ([www.emarketstorage.it](http://www.emarketstorage.it)) 15 minutes before the conference call.*

*The format of the Financial Statements corresponds with that of the statements indicated in the Directors' Report. Specific explanatory notes illustrate the adjusted result measurements.*

*The manager responsible for preparing the Company's financial reports, Michele Pedemonte, declares, pursuant to paragraph 2, Article 154-bis of the Consolidated Finance Act, that the accounting information this press release contains matches the documentary records, books and accounting entries.*

*This press release, issued on 11 March 2025, is available to the public on the Company's website ([www.erg.eu](http://www.erg.eu)) in the “Media/Press Releases” section, at Borsa Italiana S.p.A. ([www.borsaitaliana.it](http://www.borsaitaliana.it)) and on the authorised storage mechanism eMarket Storage ([www.emarketstorage.it](http://www.emarketstorage.it)).*

*The Annual Financial Report, that includes the sustainability consolidated report, with the reports of the Board of Statutory Auditors and the Independent Auditors, the Report on corporate governance and the ownership structure, the Board of Directors' Report, of the annual shareholder meeting, the Report on the remuneration policy and fees paid as well as the additional required documentation, will be made available to the public within the terms and in the manner prescribed by current legislation at the Company's headquarters in Genoa, Via De Marini 1 as well as on the Company's website ([www.erg.eu](http://www.erg.eu)) in the section “Corporate Governance/2025 Shareholders' Meeting”, at Borsa Italiana S.p.A. ([www.borsaitaliana.it](http://www.borsaitaliana.it)) and on the authorised storage mechanism eMarket Storage ([www.emarketstorage.it](http://www.emarketstorage.it)).*

#### **Contacts:**

##### **ERG**

**Anna Cavallarín** Head of External Communication - mobile + 39 3393985139 - e-mail: [acavallarín@erg.eu](mailto:acavallarín@erg.eu)

**Matteo Bagnara** Head of Investor Relations - tel. + 39 010 2401423 - e-mail: [ir@erg.eu](mailto:ir@erg.eu)

[www.erg.eu](http://www.erg.eu)- @ergnow

## ***Alternative Performance Indicators***

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

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

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

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

### ***IFRS 16***

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

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

## Highlights

<i>Adjusted</i> <sup>(2)</sup>			<i>Reported</i> <sup>(1)</sup>		<i>Adjusted</i> <sup>(2)</sup>	
4 <sup>th</sup> Quarter		(EUR million)	Year		Year	
2024	2023	Key economic data	2024	2023	2024	2023
196	220	Revenues	738	741	738	741
145	159	Gross Operating Profit (EBITDA)	531	529	535	534
75	103	Operating Profit (EBIT)	253	304	271	312
45	77	Group Net Profit <sup>(3)</sup>	187	179	175	226
74%	72%	Ebitda Margin %	72%	71%	72%	72%
2024	2023	Key financial data	2024	2023		
4.246	3.757	Net invested capital	4.246	3.757		
2.223	2.140	Equity	2.223	2.140		
1.793	1.445	Net financial indebtedness (before IFRS 16) <sup>(4)</sup>	1.793	1.445		
2.023	1.617	Net financial indebtedness (after IFRS 16) <sup>(4)</sup>	2.023	1.617		
45%	40%	Financial Leverage before IFRS 16 <sup>(5)</sup>	45%	40%		
2024	2023	Operating data			2024	2023
3.845	3.266	Total installed capacity at the end of the period			3.845	3.266
579		New intalled capacity of the period			579	
148		of which Italy - Wind			148	
290		of which Abroad - Wind			290	
142		of which Abroad - Solar			142	
1.848	1.925	Total electricity output			6.959	6.139
403		Electricity output due to new capacity of the period			1.357	
109		of which Italy - Wind			280	
252		of which Abroad - Wind			652	
42		of which Abroad - Solar			425	
145	159	Gross Operating Profit (EBITDA)			535	534
75	71	Italy - Wind			250	220
12	11	Italy - Solar			90	79
60	79	Abroad - Wind			192	230
4	3	Abroad - Solar			24	26
(6)	(5)	Corporate			(21)	(21)
101	111	Net unit Revenue <sup>(6)</sup>			102	117
53	112	Investments <sup>(7)</sup>			553	489
660	636	Employees at the end of the period <sup>(8)</sup>			660	636

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

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

<sup>(3)</sup> It should be noted that the reported net result of the Group for the comparative period includes the contribution of the thermoelectric business, sold on 17 October 2023. The Group's adjusted net result reflects the net result of its continuing operations and, therefore, does not include the contribution of the thermoelectric business.

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

<sup>(5)</sup> Financial leverage before IFRS 16 is calculated by comparing the net financial indebtedness before IFRS 16 with the net invested capital, not including Right of Use assets amounting to EUR 219 million.

<sup>(6)</sup> Net unit revenue (net of clawbacks) is expressed in EUR/MWh and is calculated by dividing the technology output by the revenue achieved on energy markets, inclusive of the impact of hedges, of any incentives due and the relative variable costs associated to generation/sale including, for example, imbalance costs and market access fees.

<sup>(7)</sup> In property, plant and equipment and intangible assets. The 2024 figure includes investments related to Merger & Acquisition transactions in the United States amounting to EUR 235 million and in France amounting to EUR 84 million, while the 2023 figure included investments related to Merger & Acquisition transactions in Spain for EUR 184 million.

<sup>(8)</sup> The 2023 comparative figure does not include personnel dedicated to ensuring the operation of the CCGT cogeneration plant, sold in October 2023.

## Performance by country

4 <sup>th</sup> Quarter			(EUR million)	Year		
2024	2023 <sup>(1)</sup>	Δ	Adjusted Revenues	2024	2023 <sup>(1)</sup>	Δ
105	102	3	Italy	418	374	44
91	118	(27)	Abroad	319	367	(48)
30	42	(13)	France	100	124	(23)
16	28	(12)	Germany	55	89	(34)
16	21	(5)	UK & Nordics	54	54	(1)
5	6	(0)	Spain	24	27	(2)
19	21	(2)	East Europe	68	73	(5)
6	-	6	United States	18	-	18
11	10	1	Corporate	39	35	3
(11)	(10)	(1)	Intra-segment revenues	(37)	(35)	(2)
<b>196</b>	<b>220</b>	<b>(24)</b>	<b>Total adjusted revenues</b>	<b>738</b>	<b>741</b>	<b>(3)</b>
<b>Adjusted EBITDA</b>						
87	82	5	Italy	339	299	40
64	82	(18)	Abroad	216	256	(40)
16	30	(14)	France	51	81	(30)
10	21	(11)	Germany	34	68	(34)
8	17	(9)	UK & Nordics	30	38	(8)
2	3	(0)	Spain	15	20	(6)
16	12	4	East Europe	54	49	5
12	-	12	United States	32	-	32
(6)	(5)	(1)	Corporate	(21)	(21)	(0)
<b>145</b>	<b>159</b>	<b>(14)</b>	<b>Adjusted EBITDA</b>	<b>535</b>	<b>534</b>	<b>1</b>
<b>Adjusted Amortization, depreciation and write-downs</b>						
(33)	(30)	(3)	Italy	(126)	(121)	(5)
(36)	(24)	(11)	Abroad	(133)	(97)	(36)
(12)	(9)	(2)	France	(46)	(40)	(6)
(6)	(4)	(1)	Germany	(21)	(20)	(1)
(4)	(4)	(1)	UK & Nordics	(17)	(13)	(4)
(3)	(2)	(1)	Spain	(12)	(6)	(6)
(5)	(5)	(0)	East Europe	(19)	(18)	(1)
(6)	-	(6)	United States	(18)	0	(18)
(1)	(1)	(0)	Corporate	(4)	(4)	(0)
<b>(70)</b>	<b>(56)</b>	<b>(14)</b>	<b>Adjusted Amortization, depreciation and write-downs</b>	<b>(263)</b>	<b>(223)</b>	<b>(41)</b>
<b>Adjusted EBIT</b>						
54	51	3	Italy	213	177	36
29	58	(30)	Abroad	83	159	(76)
5	21	(16)	France	6	41	(36)
4	17	(12)	Germany	12	48	(35)
3	13	(10)	UK & Nordics	13	25	(12)
(1)	1	(1)	Spain	3	15	(12)
11	7	4	East Europe	35	31	5
6	-	6	United States	14	-	14
(7)	(6)	(1)	Corporate	(25)	(25)	(1)
<b>75</b>	<b>103</b>	<b>(28)</b>	<b>Adjusted EBIT</b>	<b>271</b>	<b>312</b>	<b>(40)</b>
<b>Investments <sup>(2)</sup></b>						
30	82	(52)	Italy	135	219	(84)
21	28	(7)	Abroad	413	265	148
6	8	(1)	France	142	25	117
6	2	3	Germany	9	3	7
7	15	(7)	UK & Nordics	26	45	(19)
0	2	(2)	Spain	0	190	(190)
0	2	(2)	East Europe	0	2	(2)
1	-	1	United States	236	-	236
2	2	(0)	Corporate	5	4	0
<b>53</b>	<b>112</b>	<b>(59)</b>	<b>Total investments</b>	<b>553</b>	<b>489</b>	<b>64</b>

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

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



## Income Statement

This section shows the adjusted operating results, shown with the exclusion of special items.

It is specified that from 2024, the adjusted financial results include the accounting impacts of IFRS 16, therefore, the comparative results for 2023 are restated in accordance with the new approach defined by the Group.

It should also be noted that:

- the companies acquired in France, owners of wind farms and photovoltaic systems for a total of 73.2 MW, are consolidated on a line-by-line basis starting from 1 January 2024.
- the US companies, owners of wind farms and photovoltaic systems for a total of 317 MW, were consolidated on a line-by-line basis starting from 1 April 2024.

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

4 <sup>th</sup> Quarter			(EUR million)	Year		
2024	2023	Δ	Profit & Loss	2024	2023	Δ
196	220	(24)	Revenues	738	741	(3)
19	9	10	Other incomes	51	26	25
<b>215</b>	<b>229</b>	<b>(14)</b>	<b>Total Revenues</b>	<b>789</b>	<b>767</b>	<b>22</b>
0	(5)	5	Purchases and changes in inventories	(10)	(14)	4
(55)	(50)	(5)	Services and other operating costs	(186)	(166)	(21)
(15)	(15)	(1)	Personnel expenses	(58)	(53)	(5)
<b>145</b>	<b>159</b>	<b>(14)</b>	<b>Gross Operating profit (loss) (EBITDA)</b>	<b>535</b>	<b>534</b>	<b>1</b>
(70)	(56)	(14)	Amortisation, depreciation and impairment of non-current assets	(263)	(223)	(41)
<b>75</b>	<b>103</b>	<b>(28)</b>	<b>Operating profit (loss) (EBIT)</b>	<b>271</b>	<b>312</b>	<b>(40)</b>
(9)	(2)	(7)	Net financial incomes (expenses)	(27)	(14)	(14)
(0)	0	(0)	Net gains (losses) on equity investments	(0)	0	(0)
<b>66</b>	<b>101</b>	<b>(35)</b>	<b>Profit before taxes</b>	<b>244</b>	<b>298</b>	<b>(54)</b>
(20)	(24)	3	Income taxes	(66)	(71)	4
<b>46</b>	<b>77</b>	<b>(31)</b>	<b>Net profit (loss) from continuing operations</b>	<b>178</b>	<b>227</b>	<b>(50)</b>
(1)	0	(1)	Non-controlling interests	(3)	(2)	(1)
<b>45</b>	<b>77</b>	<b>(32)</b>	<b>Profit (loss) from continuing operations attributable to owners of the parent</b>	<b>175</b>	<b>226</b>	<b>(50)</b>
0	(1)	1	Net profit (loss) from discontinued operations	0	(7)	7
<b>45</b>	<b>75</b>	<b>(31)</b>	<b>Profit attributable to owners of the parent</b>	<b>175</b>	<b>219</b>	<b>(44)</b>

## Statement of Financial Position

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

Reclassified Statement of Financial position	31/12/2024	31/12/2023
<i>(EUR million)</i>		
Non - current assets	4.841	4.023
Net operating working capital	34	56
Employees benefits	(3)	(4)
Other Assets	246	241
Other Liabilities	(873)	(560)
<b>Net invested capital</b>	<b>4.246</b>	<b>3.757</b>
Equity attributable to the owners of the parent	2.147	2.133
Non-controlling interests	76	7
<b>Net financial indebtedness before IFRS 16</b>	<b>1.793</b>	<b>1.445</b>
<i>Lease liabilities</i>	229	172
<b>Net financial indebtedness after IFRS 16</b>	<b>2.023</b>	<b>1.617</b>
<b>Equity and financial indebtedness</b>	<b>4.246</b>	<b>3.757</b>

## Cash flows

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

4 <sup>th</sup> Quarter		<i>(EUR million)</i>	Year	
2024	2023		2024	2023
		<b>Cash Flow</b>		
145	159	Adjusted EBITDA	535	534
52	(34)	Change in net working capital	(50)	(33)
<b>197</b>	<b>125</b>	<b>Cash Flow from operations</b>	<b>485</b>	<b>501</b>
(52)	(112)	Capital expenditure in property, plant and equipment and intangible assets	(234)	(305)
(0)	0	Asset acquisitions and business combinations	(319)	(184)
-	5	Collection from the sale of Disposed Business	-	5
(0)	5	Capital expenditure on non-current financial assets	1	6
0	1	Other changes and divestments	(11)	(1)
<b>(53)</b>	<b>(101)</b>	<b>Cash Flow from investments/divestments</b>	<b>(563)</b>	<b>(478)</b>
(6)	(0)	Financial income (expense)	(19)	(6)
-	(1)	Financial expense for closing loans	-	(5)
(0)	-	Net gains (losses) on equity investment	(0)	0
-	-	Collection distribution reserve ERG Power <sup>(1)</sup>	-	88
<b>(6)</b>	<b>(1)</b>	<b>Cash Flow from financial management</b>	<b>(19)</b>	<b>77</b>
<b>(17)</b>	<b>(12)</b>	<b>Cash Flow from tax management</b>	<b>(39)</b>	<b>(26)</b>
(2)	(2)	Distribution of dividends	(152)	(154)
(11)	(61)	Shares buy-back programme	(47)	(61)
(14)	14	Other changes in equity	(13)	131
<b>(27)</b>	<b>(49)</b>	<b>Cash flows from Equity</b>	<b>(212)</b>	<b>(85)</b>
-	74	Change in the consolidation scope	-	74
-	51	Cash Flow Termo	-	24
<b>1.888</b>	<b>1.532</b>	<b>Opening net financial indebtedness before IFRS 16</b>	<b>1.445</b>	<b>1.533</b>
(95)	(87)	<i>Net Change</i>	348	(87)
<b>1.793</b>	<b>1.445</b>	<b>Total net financial indebtedness before IFRS 16</b>	<b>1.793</b>	<b>1.445</b>
229	172	<i>Lease liabilities</i>	229	172
<b>2.023</b>	<b>1.617</b>	<b>Net financial indebtedness after IFRS 16</b>	<b>2.023</b>	<b>1.617</b>

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

## ALTERNATIVE PERFORMANCE INDICATORS

### Definitions

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

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

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

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

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

Definitions of the APIs used by the Group and a reconciliation with the items of the Financial Statements templates adopted are as follows.

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

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

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

**Adjusted EBIT** is the net operating profit, explicitly indicated as a subtotal in the financial statements, with the exclusion of significant special income statement components of an exceptional nature (special items).

**EBITDA margin** is an indicator of the operating performance calculated by comparing the adjusted EBITDA to the Revenue from sales and services of each individual business segment.

The **adjusted tax rate** is calculated by comparing the adjusted amounts of taxes and profit before taxes.

**Profit (loss) from continuing operations** does not include the result from discontinued operations relating to the thermoelectric business reclassified under the item "Profit (loss) from discontinued operations".

**Adjusted Profit (loss) from continuing operations** is the profit (loss) from continuing operations, with the exclusion of significant income statement components of an exceptional nature (special items), net of the related tax effects.

**Adjusted profit (loss) attributable to owners of the parent** is the adjusted profit (loss) from continuing operations with the exclusion of the profit attributable to non-controlling interests.

**Capital expenditure** is the sum of capital expenditure in property, plant and equipment and intangible assets, with the inclusion of Mergers & Acquisitions and not including Right of Use assets.

**Net operating working capital** is the sum of Inventories, Trade receivables and Trade payables.

**Net invested capital** is the sum of non-current assets (including Right of Use Assets), Net operating working capital, Liabilities related to post-employment benefits, Other assets and Other liabilities.

**Net financial indebtedness** is an indicator of the financial structure and is determined in accordance with ESMA Guidelines 32-382-1138 (Guidelines on Prospectus disclosures) and CONSOB Warning Notice no. 5/2021, also including the portion of non-current assets relative to derivative financial instruments.

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

The comparative figures at 31 December 2023 refer to the scope of continuing operations, therefore excluding the indebtedness of the thermoelectric business, sold in October 2023.

**Financial leverage before IFRS 16** is calculated by comparing the net financial indebtedness before IFRS 16 to the net invested capital, not including Right of Use assets.

**Special items** include significant special income components of an exceptional nature. These include:

- income and expense connected to events whose occurrence is non-recurring, i.e. those transactions or events that do not frequently re-occur over the normal course of business;
- income and expense related to events that are not typical of normal business activities, such as restructuring and environmental costs;
- capital gains and losses linked to the disposal of assets;

- significant impairment losses recognised on assets following impairment tests;
- income and the associated reversals recognised in application of IFRS 9, in relation to the restructuring of loans in place.

#### **IFRS 16**

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

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

## Reconciliation with adjusted operating results

4 <sup>th</sup> Quarter		GROSS OPERATING PROFIT (EBITDA) (Eur million)	Note	Year	
2024	2023			2024	2023
147	157	<b>Gross operating profit (loss) (EBITDA)</b>		531	529
		<i>Special items exclusions:</i>			
1	1	- Reversal of ancillary charges on non-recurring operations (Special Projects)	1	8	4
(4)	-	- Gains on disposal of works of art	2	(4)	-
0	0	- Reversal for allocation for provision for disposed businesses	3	1	1
145	159	<b>Adjusted EBITDA</b>		535	534
<b>AMORTISATION, DEPRECIATION AND IMPAIRMENT LOSSES</b>					
(74)	(57)	<b>Amortization, Depreciation and impairment losses</b>		(278)	(225)
		<i>Special items exclusions:</i>			
-	1	- Reversal of impairment losses recognised on Repowering Wind Italy	4	10	2
3	-	- Reversal of impairment losses recognised on Repowering Wind France	4	3	-
1	-	- Reversal of impairment losses recognised on Repowering Wind Germany	4	1	-
1	-	- Devaluation of wind farm asset Sweden		1	-
(70)	(56)	<b>Adjusted amortization, depreciation and impairment losses</b>		(263)	(223)
<b>PROFIT (LOSS) ATTRIBUTABLE TO OWNERS OF THE PARENT</b>					
41	68	<b>Profit (loss) from continuing operations attributable to the owners of the parent</b>		187	214
		<i>Special items exclusions:</i>			
(3)	-	Exclusion of disposal of work of arts	2	(3)	-
2	1	Exclusion of ancillary charges on non-recurring transactions	1	7	3
2	0	Exclusion of expenses related to disposed Businesses	3	3	(4)
2	1	Exclusion of impairment losses recognised on Repowering	4	10	2
-	1	Exclusion of ancillary charges on loan prepayments	5	-	4
-	6	Exclusion of Tax Asset UK and substitute tax Solar Italy	6	(28)	6
-	-	Exclusion of impact of gains/losses (IFRS 9)	7	-	1
45	77	<b>Adjusted profit (loss) from continuing operations attributable to owners of the parent</b>		175	226

- Ancillary charges relating to other non-recurring transactions, as well as unsuccessful acquisitions.
- Capital gain realised from the sale of artworks to an ERG S.p.A. related party at market values, recorded under the non-current assets of the ERG S.p.A. holding company.
- Provisions relating to exceptional items on businesses disposed of by the Group.
- Impairments related to investments and Revamping projects aimed at certain parks in the Solar Italy portfolio.
- Financial expense related to the early closure of project financing and Corporate loans as part of Liability Management transactions.
- Reversal of the benefit of the substitute tax deriving from the exemption of the goodwill due to the merger in the Siena and Donatello Business combinations acquired in 2022.
- IFRS 9 does not allow for the deferment of the positive economic effects of the renegotiation of

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



Annex to the press release of 11<sup>th</sup> March 2025



# Management Report as at 31 December 2024

## Basis for preparation

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The Document is an annex supporting the press release of 11 March 2025 in order to better detail and comment on the ERG Group's results for the year 2024. The comments provided are an extract from the Management Report which, together with the Notes to the Financial Statements, will be published within the time limits established by current regulations.

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

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

### **Operating segments**

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

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

Some of the Alternative Performance Indicators (APIs) used in this document are different from the financial

indicators expressly provided for by the IAS/IFRS adopted by the Group.

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

In order to facilitate an understanding of the business segments' performance, the operating results are shown with the exclusion of significant special income components of an exceptional nature (special items): these results are indicated with the term "Adjusted results". The results that include significant income statement components of an exceptional nature (special items) are also defined as "Reported results". A definition of the indicators and the reconciliation of the amounts involved are provided in the "Alternative Performance Indicators" section.

### **IFRS 16**

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

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

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

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

## CORPORATE BODIES

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

#### Board of Directors

##### CHAIRMAN

Edoardo Garrone (executive)

##### DEPUTY CHAIRMAN

Alessandro Garrone (executive)<sup>2</sup>

Giovanni Mondini (non-executive)

##### CHIEF EXECUTIVE OFFICER

Paolo Luigi Merli

##### DIRECTORS

Luca Bettonte (non-executive)

Elisabetta Caldera (independent<sup>3</sup>)

Federica Lolli (independent<sup>3</sup>)

Marina Natale (independent<sup>3</sup>)

Elisabetta Oliveri (independent<sup>3</sup>)

Barbara Poggiali (non-executive)

Renato Pizzolla (non-executive)

Daniela Toscani (independent<sup>3</sup>)

#### Board of Statutory Auditors<sup>4</sup>

##### CHAIRWOMAN

Monica Mannino<sup>5</sup>

##### STANDING AUDITORS

Giulia De Martino

Fabrizio Cavalli

#### Manager responsible for preparing the Company's financial reports (Italian Law no. 262/05)

Michele Pedemonte<sup>6</sup>

#### Independent Auditors

KPMG S.p.A.<sup>7</sup>

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

<sup>2</sup> Director in charge of the Internal Control and Risk Management System.

<sup>3</sup> With reference to the provisions of Article 148, third paragraph, of the Italian Consolidated Finance Act, and the provisions of the current Corporate Governance Code promoted by Borsa Italiana S.p.A., also taking into account the "quantitative" and "qualitative" criteria defined in the Regulation for the operation of the Board of Directors, the Risk and Sustainability Committee and the Nominations and Remuneration Committee.

<sup>4</sup> Board of Statutory Auditors appointed on 26 April 2022.

<sup>5</sup> Appointed on 26 April 2023, in the office of Standing Auditor and Chairwoman of the Board of Statutory Auditors of ERG S.p.A. and expiring, together with the other members of the Board of Statutory Auditors, on the date of the Shareholders' Meeting called to approve the Financial Statements at 31 December 2024.

<sup>6</sup> Appointed on 26 April 2021 at the same time as appointment to the office of Group CFO.

<sup>7</sup> Appointed on 23 April 2018 for the period 2018 – 2026.

## Business description

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

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

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

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

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

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

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

The ERG Group, with generation facilities of 3,845 MW installed renewable capacity (3,184 MW wind, 661 MW solar), operates directly or through its subsidiaries, in the following Geographical Segments:

### Italy

In Italy, ERG has a total installed capacity of 1,643 MW in the sector of electricity generation from wind and solar sources.

Specifically, ERG is the leading operator in the wind power sector in Italy with 1,468 MW of installed capacity, and a leading operator in solar power generation with 175 MW of installed capacity.

### Abroad

Outside Italy, ERG has a total installed capacity of 2,202 MW.

In wind power, ERG is one of the leading operators in Europe with a significant and growing presence (1,491 MW operational), particularly in France (587 MW), Germany (327 MW), the UK (249 MW), Poland (142 MW), Romania (70 MW), Bulgaria (54 MW) and Sweden (62 MW).

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

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

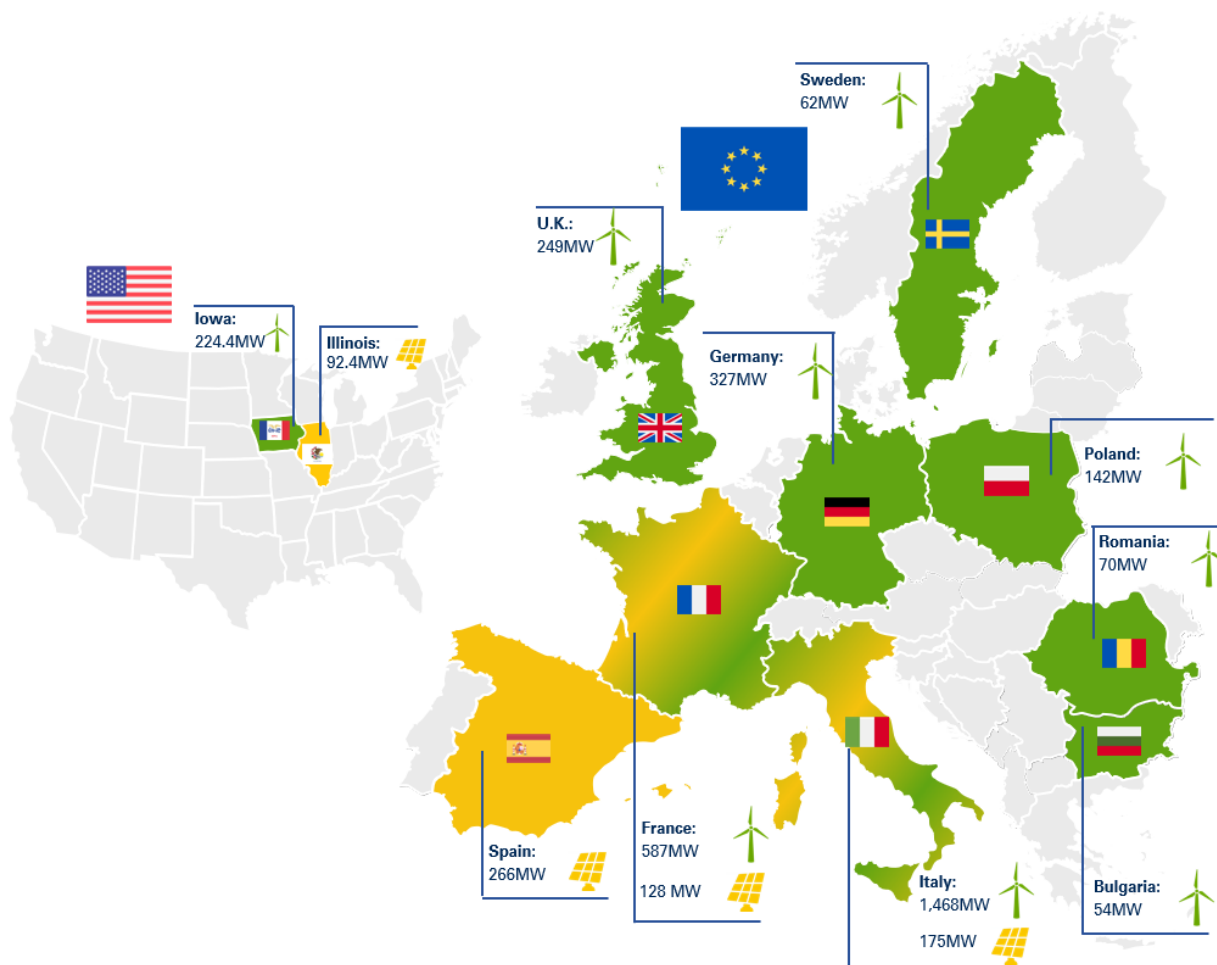
### ERG enters the US renewable energy market

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

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

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

## Geographical segments at 31 December 2024



## Organisational model

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

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

The company is organised in the following areas:

- Corporate Strategy and Mergers & Acquisitions
- Business Development, Engineering & Construction
- Administration, Finance, Control & Procurement
- Human Capital & ICT
- Regulatory & Public Affairs
- Corporate & Legal Affairs
- ESG, IR & Communication

- ERG Power Generation S.p.A. – which ensures the management of the engineering and construction activities and the industrial and commercial processes of the Group, also through personnel belonging to other subsidiaries, organised as part of the “Generation & Market” department in:
  - Wind & Solar generation units, which in turn are organised on a geographical basis.
  - an Energy Management & Sales structure, as a single-entry point to organised markets and the main clients/counterparties.
  - a centre of expertise that ensures the efficiency of the operating model and the related global standardisation of processes.
  - a structure dedicated to managing health, safety, quality and environmental protection topics for the entire Group.
  - an area dedicated to the development and digitalisation of business systems.

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

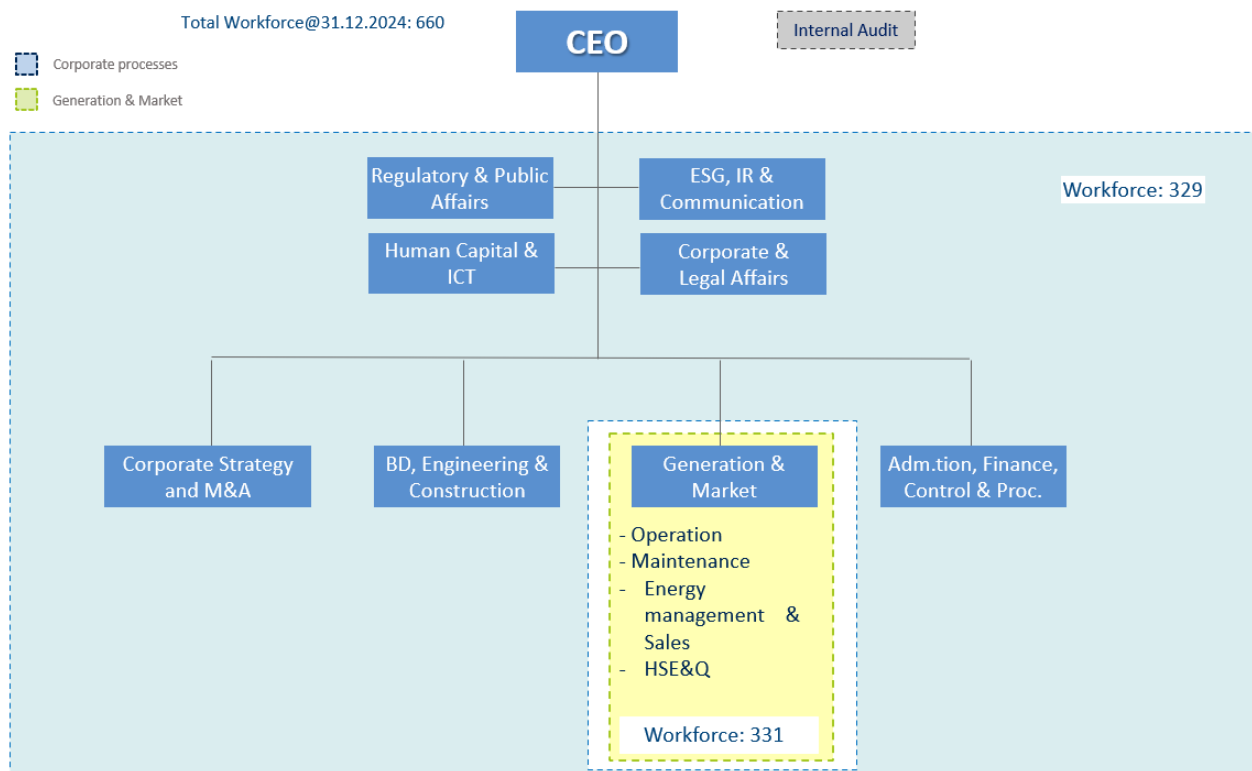
Finally, as a confirmation of the interest in Battery Energy Storage Systems (BESS) and with the aim of continuing the development and enhancement of this

technology, the BESS Development Programme was established with the objectives of:

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

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

## A NEW ORGANIZATION TO SPEED UP DECISION MAKING PROCESS



## Strategy









2024 was a challenging year in many respects, both politically and socially, as well as from a climate perspective. It witnessed an unprecedented rise in global temperatures, accompanied in particular by a decline in wind activity, especially in the fourth quarter in certain European regions, and extreme weather events such as wildfires, exceptionally intense rainfall and flooding.

In this context, the development of renewable energy remains essential not only to counter the effects of climate change but also to enhance energy independence and the competitiveness of our economies. Global electricity demand could increase significantly, provided that electrification policies are implemented decisively, alongside the development of artificial intelligence systems, which are already rapidly

gaining traction in both Europe and the USA. However, these prospects are now intertwined with a decarbonisation process that is progressing slowly, within an increasingly challenging, risky and unpredictable environment. Anti-renewable policies, geopolitical tensions and financial market instability are just some of the current challenges to be addressed.

In this scenario, ERG, with its pure renewable wind & solar model – achieved through a unique business transformation process – renewed its commitment to the development of renewables and decarbonised storage technologies on 12 March 2025, leveraging its vision and solid experience in this market. A strategic “Value over volume” approach based on selective and flexible growth capable of seizing the most valuable business opportunities.

### VALUE OVER VOLUME APPROACH REINFORCED

	<b>Selective growth</b>	>	<b>4.2GW</b> installed Capacity in 2026 (vs 4.5GW); focus on repowering & organic
	<b>Investments/EBITDA</b>	>	<b>CAPEX: €1.0bn 2024-2026 (-20% vs prev. €1.2bn); EBITDA &gt;€600mn @2026</b>
	<b>Route to market</b>	>	<b>Confirmed target 85%-90%</b> quasi-regulated on total EBITDA through CFD & PPA
	<b>Balance Sheet / Value creation</b>	>	Commitment to <b>IG rating: DCM as best option</b> for sizable/competitive funding <b>Value over Volume approach confirmed</b> (IRR targeted 200bps+ over WACC)
	<b>Geographical diversification</b>	>	Geographic <b>focus on tier-1 countries</b> : grow and consolidate Assessing <b>asset rotation</b> opportunities in tier-2 countries
	<b>Storage, hybridization &amp; digitilisation</b>	>	<b>Storage as a new stream</b> of development <b>Hybridization</b> as an opportunistic technology to mainly protect our assets <b>Digitalization</b> to optimize the performance of assets
	<b>ESG</b>	>	A <b>strategic priority</b> : consolidating ERG’s tier-1 positioning
	<b>Shareholder Remuneration</b>	>	<b>2025: €1/sh</b> to be paid as dividend plus SBB (already done) equal to €0.15/sh <b>2026+: floor at €1/sh as dividend</b> + potential upside from buybacks

### Updated strategy and objectives for the 2025-2026 period

In this particularly challenging context, ERG reaffirms its commitment to the development of the renewable energy sector, prioritising in the short term its growth through projects currently under construction and seeking to capitalise on opportunities arising from the development of its 5GW pipeline of organic projects. Repowering remains central to the Group’s business strategy, positioning it as a leader in this type of intervention, thanks to a solid and visible project pipeline. Investments initially planned at EUR 1.2 billion for the 2024-2026 period are now expected to amount to EUR 1 billion, while we reaffirm our target of achieving EBITDA above EUR 600 million in 2026. We anticipate installing 4.2 GW by 2026 (compared to the 4.5 GW projected last year). Growth will be focused on the geographies where we are already present, with asset rotation serving as a potential lever to maximise the value of our investments.

Our technological diversification strategy continues, with an increased focus on battery storage (BESS) projects and hybridisation of wind and solar plants. This approach aims to enhance asset portfolio flexibility by integrating solar and wind power generation with systems capable of balancing production and improving efficiency. The digitalisation of our wind and solar assets will further optimise performance. As far as Route-to-Market is concerned, the Group intends to leverage its consolidated experience in energy management to optimise its market access strategy. We reaffirm our commitment to achieving the target of 85%-90% of quasi-regulated EBITDA through long-term support mechanisms, particularly government CFDs and PPAs with leading corporate counterparties across the various geographies in which we operate. These long-term contractual arrangements remain fundamental tools for addressing ongoing market volatility.

ERG maintains a solid financial structure, capable of supporting both growth and shareholder remuneration in a sustainable manner.



## Change in business scope during the year

- **Wind/Solar – France: Falcon**

On 28 December 2023, ERG, through its subsidiary ERG Eolienne France SAS, has signed an agreement with QEnergy France SAS, a leading operator in the renewable energy sector in France, for the acquisition of 100% of CEPE Renouvellement Haut Cabardès SAS, a company that owns a 73.2-MW wind and solar portfolio in France. The portfolio of plants subject to the acquisition consists of two photovoltaic systems, which entered into operation between June and September 2022, for a total of 20.4 MWp of installed capacity, a 28.8 MWp photovoltaic system that entered into operation at the end of June and a 24-MW wind farm in following repowering. The total estimated output is about 125 GWh annually, equivalent to 64 kilotons of CO<sub>2</sub> emissions avoided. The two operational solar plants and the wind farm benefit from a tariff regime with a 20-year CfD, while the production of the photovoltaic park, which began operation at the end of the second quarter of 2024, is linked to a 15-year PPA with a leading corporate counterparty.

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

- **Wind/Solar – USA: Pinnacle**

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

This transaction represents the Group's first step into the overseas market and involved the creation of a holding company under US law into which a wind farm and a solar plant, both in operation, for a total of 317 MW of installed capacity and an estimated output of approximately 1 TWh have been conferred, as well as a cooperation agreement relating to approximately 1 GW of new onshore solar and wind projects under development in the United States. The holding company is 75% owned by ERG and 25% by Apex, which continues with the operational management of the assets. The portfolio consists of a 224.4-MW onshore wind farm located in Iowa that entered into operation in the first half of 2023, with an estimated annual output of over 800 GWh, and a 92.4-MW photovoltaic system located in Illinois that entered into operation in the second half of 2022, with an estimated annual output of over 150 GWh, equal to a total of 387 kt of CO<sub>2</sub> avoided. Both plants are part of the Midcontinent Independent System Operator

(MISO), the largest US electricity market in terms of geographical area and second largest in terms of installed capacity. The two plants benefit from Tax Equity agreements with financial counterparties and were debt-free at closing, except for those related to the structure deriving from the Tax Equity Partnership agreements. Revenue is secured by long-term sales contracts (PPAs) signed with leading corporate counterparties. The consideration for the acquisition of the majority stake of 75% was equal to USD 270 million. This Annual Financial Report reflects the impact of the line-by-line consolidation of the wind and solar portfolio as of 1 April 2024.

During the year, the following came into operation:

- the Roccapalumba wind farm, in the province of Palermo, with a total capacity of 47 MW, which was developed and constructed in-house. The farm's output is enhanced through the Power Purchase Agreement (PPA) signed with Google;
- the photovoltaic park in France with a total capacity of 28.8 MW, acquired as part of the recent Falcon acquisition;
- the Mineo-Militello-Vizzini wind farm in Sicily with a total capacity of 101 MW (+51 MW incremental), the third and largest Repowering project in the Group's plant portfolio;
- the Salemi-Castelvetrano wind farm, located in the province of Trapani, the Group's fourth repowering project in Italy. The wind farm has a total installed capacity of 75.6 MW (+50 MW incremental);
- two greenfield windparks in France for a total of 41 MW.

It should also be noted that on 20 December 2024 ERG, through its subsidiary ERG UK Holding Ltd, signed a Share Purchase Agreement (SPA) with BayWa r.e. AG, for the acquisition of 100% of the shares of BayWa r.e. UK (Jubilee) Limited, a company that owns Broken Cross Wind Farm Limited, which owns a 43.2 MW onshore wind farm in South Lanarkshire, Scotland. The wind farm, which entered into operation in the fourth quarter of 2024, consists of nine Nordex N133 turbines, each with a capacity of 4.8 MW and benefits from a 15-year Contract for Difference (CfD) awarded in the AR4 auction, in line with the Group's revenue securitisation strategy. The annual production is estimated at approximately 120 GWh, equivalent to 46 kt of CO<sub>2</sub> emissions avoided each year, equal to the energy needs of over 28,000 households. The enterprise value of the transaction amounts to GBP 60 million and the closing of the transaction was completed in January 2025. Therefore, this Annual Report does not yet reflect the impacts of the company's consolidation.

## ERG's stock market performance

At 30 December 2024, the reference price of ERG stock was EUR 19.65, down (-31.9%) compared to the end of the previous year and worse than the performance of the S&P Global Clean Energy Index (-21.0%) and the Euro Stoxx Utilities Index (-3.4%).

In the same period, positive performance was recorded for the FTSE MIB (+12.6%), the FTSE All Share (+12.0%) and the FTSE Mid Cap (+7.2%).

During the period under review, the listed price of ERG stock ranged between a minimum of EUR 18.90 (6 November) and a maximum of EUR 29.06 (2 January).

The figures relating to the prices and exchange volumes of ERG stock at 30 December 2024 are set out below:

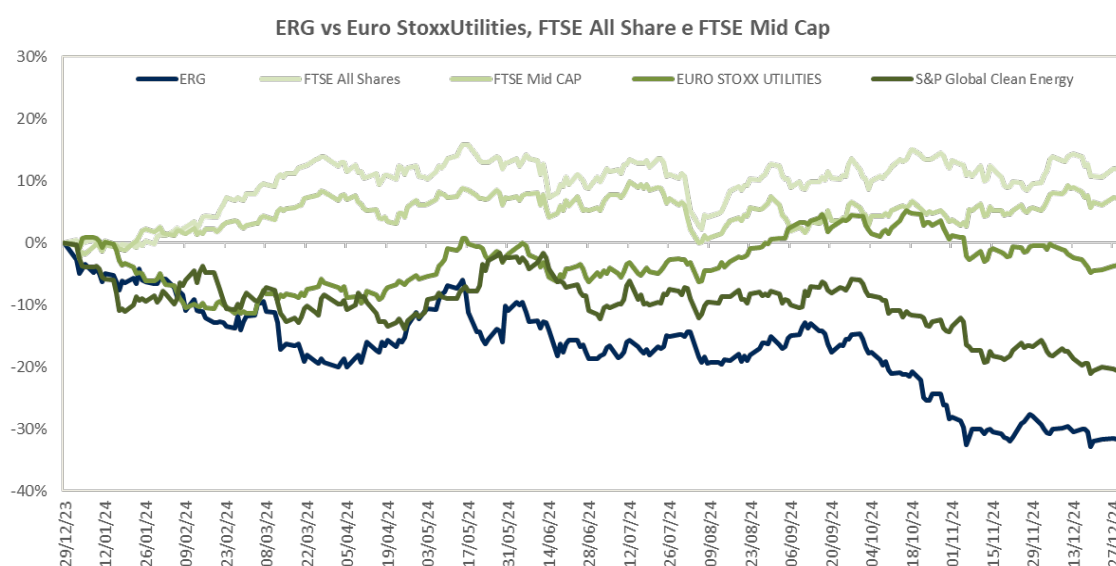
Share price	EUR
Reference price at 30.12.2024	19.65
Maximum price (02.01.2024) <sup>(1)</sup>	29.06
Minimum price (06.11.2024) <sup>(1)</sup>	18.90
Average price	23.95

(1) lowest and highest price reached during the day's trading; hence they do not match the official reference prices on the same date.

Volumes traded	No. of shares
Maximum volume (13.03.2024)	3,017,393
Minimum volume (26.08.2024)	104,856
Average volume	470,305

Market capitalisation was approximately EUR 2,954 million at the end of the year (EUR 4,338 million at the end of 2023). The average number of shares outstanding at 30 December was 145,953,855.

## ERG Share Price Performance and Shareholding Structure at 31 December 2024



### Share buy-back programme

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

The share buy-back programme was completed on 12 February 2024; since the start of the programme, 3,758,000 ordinary shares (maximum number of shares that can be purchased) have been repurchased at a weighted average price of EUR 26.0 per share. Considering the shares already held in the portfolio prior to the start of the programme, at the end of the programme ERG S.p.A. holds 4,540,080 treasury shares, equivalent to 3.0% of its share capital.

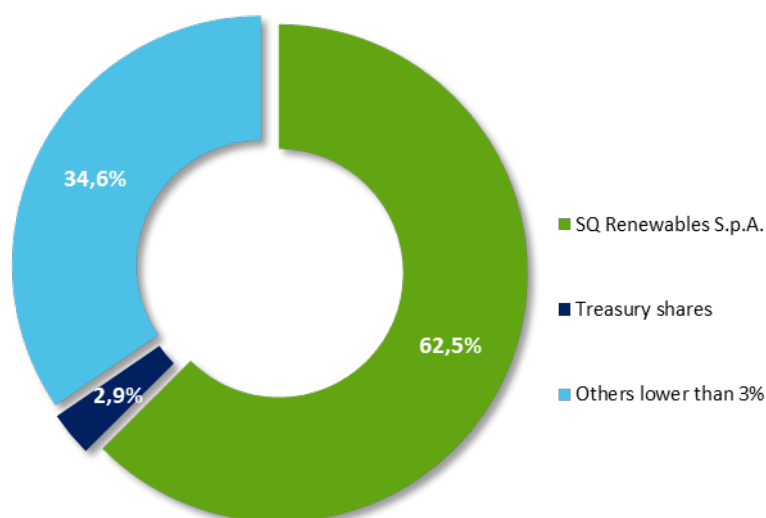
Furthermore, on 14 November 2024, the Board of Directors of ERG S.p.A. approved the launch of an additional share buy-back programme, implementing the resolution adopted by the Shareholders' Meeting on 23 April 2024. This initiative is intended as an investment strategy aimed at maximising value creation for the Company and its shareholders, with a maximum duration of three months from the date of the resolution. The maximum quantity of Shares that can be

purchased in implementation of the Programme is 1,200,000 (e.g. a total of 0.798% of the share capital), with a maximum outlay of EUR 22,600,000, without prejudice to any other limitation possibly deriving from legislative or regulatory provisions.

At 31 December 2024, ERG S.p.A. held 4,366,145 treasury shares, equal to 2.9% of its share capital.

The share buy-back programme was completed on 31 January 2025; since the start of the programme, 1,133,766 ordinary shares (maximum number of shares that can be purchased) have been repurchased at a weighted average price of EUR 19.90 per share. Considering the shares already in its portfolio prior to the start of the programme, ERG S.p.A. holds 4,965,240 treasury shares, equal to 3.3% of the related share capital.

Information on the purchase of treasury shares was updated weekly on the Company's website ([www.erg.eu](http://www.erg.eu)) in the "Media/Press Releases" section. Below is the company's shareholding structure at the reporting date of 31 December 2024:



## Highlights

(EUR million)	<i>Reported</i> <sup>(1)</sup>		<i>Adjusted</i> <sup>(2)</sup>	
	Year		Year	
<b>Key economic data</b>	2024	2023	2024	2023
Revenues	738	741	738	741
<b>Gross Operating Profit (EBITDA)</b>	<b>531</b>	<b>529</b>	<b>535</b>	<b>534</b>
<b>Operating Profit (EBIT)</b>	<b>253</b>	<b>304</b>	<b>271</b>	<b>312</b>
<b>Group Net Profit</b> <sup>(3)</sup>	<b>187</b>	<b>179</b>	<b>175</b>	<b>226</b>
<b>Ebitda Margin %</b>	<b>72%</b>	71%	<b>72%</b>	72%
<b>Key financial data</b>	2024	2023		
<b>Net invested capital</b>	<b>4.246</b>	<b>3.757</b>		
Equity	2.223	2.140		
Net financial indebtedness (before IFRS 16) <sup>(4)</sup>	1.793	1.445		
Net financial indebtedness (after IFRS 16) <sup>(4)</sup>	2.023	1.617		
Financial Leverage before IFRS 16 <sup>(5)</sup>	45%	40%		
<b>Operating data</b>			2024	2023
<b>Total installed capacity at the end of the period</b>	<b>MW</b>		<b>3.845</b>	<b>3.266</b>
<b>New installed capacity of the period</b>			<b>579</b>	
<i>of which Italy - Wind</i>	<i>MW</i>		148	
<i>of which Abroad - Wind</i>	<i>MW</i>		290	
<i>of which Abroad - Solar</i>	<i>MW</i>		142	
<b>Total electricity output</b>	<b>GWh</b>		<b>6.959</b>	<b>6.139</b>
<b>Electricity output due to new capacity of the period</b>			<b>1.357</b>	
<i>of which Italy - Wind</i>	<i>GWh</i>		280	
<i>of which Abroad - Wind</i>	<i>GWh</i>		652	
<i>of which Abroad - Solar</i>	<i>GWh</i>		425	
<b>Gross Operating Profit (EBITDA)</b>			<b>535</b>	<b>534</b>
<i>Italy - Wind</i>			250	220
<i>Italy - Solar</i>			90	79
<i>Abroad - Wind</i>			192	230
<i>Abroad - Solar</i>			24	26
<i>Corporate</i>			(21)	(21)
<b>Net unit Revenue</b> <sup>(6)</sup>	<b>Euro/MWh</b>		<b>102</b>	<b>117</b>
<b>Investments</b> <sup>(7)</sup>	<b>Euro millions</b>		<b>553</b>	<b>489</b>
<b>Employees at the end of the period</b> <sup>(8)</sup>	<b>Units</b>		<b>660</b>	<b>636</b>

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

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

<sup>(3)</sup> It should be noted that the reported net result of the Group for the comparative period includes the contribution of the thermoelectric business, sold on 17 October 2023. The Group's adjusted net result reflects the net result of its continuing operations and, therefore, does not include the contribution of the thermoelectric business.

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

<sup>(5)</sup> Financial leverage before IFRS 16 is calculated by comparing the net financial indebtedness before IFRS 16 with the net invested capital, not including Right of Use assets amounting to EUR 219 million.

<sup>(6)</sup> Net unit revenue (net of clawbacks) is expressed in EUR/MWh and is calculated by dividing the technology output by the revenue achieved on energy markets, inclusive of the impact of hedges, of any incentives due and the relative variable costs associated to generation/sale including, for example, imbalance costs and market access fees.

<sup>(7)</sup> In property, plant and equipment and intangible assets. The 2024 figure includes investments related to Merger & Acquisition transactions in the United States amounting to EUR 235 million and in France amounting to EUR 84 million, while the 2023 figure included investments related to Merger & Acquisition transactions in Spain for EUR 184 million.

<sup>(8)</sup> The 2023 comparative figure does not include personnel dedicated to ensuring the operation of the CCGT cogeneration plant, sold in October 2023.

## Comments on the year's performance

In 2024, **adjusted revenue** amounted to EUR 738 million, a slight decrease compared to 2023 (EUR 741 million). The lower wind conditions recorded during the period, which were significantly below historical averages, were largely offset by the contribution from the new capacity brought into operation (579 MW).

The weaker market conditions observed in the first part of the year had only a partial impact on the results, as the Group follows a hedging policy that includes sales through fixed tariffs, Power Purchase Agreements (PPAs) with predetermined price conditions, and financial contracts.

Production amounted to 7.0 TWh, an increase of 0.8 TWh compared to 2023, thanks to 1.4 TWh from the contribution of new assets brought into operation, partially offset by the lower wind conditions recorded on the assets in operation (-0.5 TWh, -9% on a like-for-like basis).

**Adjusted EBITDA**, net of special items, stood at EUR 535 million, substantially in line with the EUR 534 million recorded in 2023.

### ITALY

- **Wind (EUR +30 million):** EBITDA amounted to EUR 250 million, up from EUR 220 million in 2023, driven by higher unit revenue from the GRIN incentive (zero in 2023) and the addition of new installed capacity (148 MW), despite the significantly lower wind conditions during the period.  
Total production amounted to 2.5 TWh compared to 2.5 TWh in the same period of 2023, due to significantly lower wind conditions (-0.3 TWh, -13% on a like-for-like basis), partially offset by the contribution from newly commissioned assets (+0.3 TWh).
- **Solar (EUR +10 million):** EBITDA amounted to EUR 90 million, up from EUR 79 million in 2023, driven by sales prices that benefited from forward sales made in line with the Group's policies. This was partially offset by lower production due to plant shutdowns for revamping activities.  
Output amounted to 241 GWh in 2024 compared to 256 GWh in 2023.

### ABROAD

- **Wind (EUR -38 million):** EBITDA of EUR 192 million, a decrease compared to EUR 230 million in 2023, primarily due to significantly lower wind conditions during the period and reduced prices achieved, particularly in France and Germany, partially offset by the new installed capacity (290 MW).  
Total production amounted to 3,514 GWh compared to 3,046 GWh in the same period of 2023, due to lower wind conditions (-0.2 TWh, -6% on a like-for-like basis), more than offset by the contribution from newly commissioned assets (+0,7 TWh).
- **Solar (EUR -2 million):** EBITDA of EUR 24 million, a decrease compared to EUR 26 million in 2023, primarily due to lower electricity prices in Spain, partially offset by the scope impact resulting from acquisitions (142 MW). Production was 0.7 TWh in 2024, up from 0.3 TWh in 2023, largely due to the contribution from new assets coming online (0.4 TWh), despite a -3% decrease on a like-for-like basis.

Overall, the contribution from the new installed capacity (around EUR +75 million) is largely offset by the lower volumes recorded, mainly in the fourth quarter.

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

**Adjusted EBIT** amounted to EUR 271 million (EUR 312 million in 2023). Depreciation and amortisation amounted to EUR 263 million, up from 2023 (EUR 223 million) and reflecting the full contribution of new assets acquired during the period (EUR 26 million) and developed internally (EUR 14 million).

The **Adjusted Group Net Profit** was EUR 175 million, down from 2023 (EUR 226 million.<sup>1</sup>), and reflects, in addition to the previously discussed operating results, higher financial expenses (EUR +14 million) mainly due to the accounting impact of the Tax Equity Partnership in the US portfolio and lower taxes amounting to EUR 4 million.

<sup>1</sup> The comparative figure for 2023 refers to the profit of continuing operations attributable to owners of the parent, therefore not including the contribution of the thermoelectric business, sold on 17 October 2023.

The **Reported Group Net Profit** totalled EUR 187 million, including the positive net tax impacts of special items, up from EUR 179 million in 2023.<sup>2</sup>

In 2024, **capital expenditure** totalled EUR 553 million (EUR 489 million in 2023) and related to **capital expenditure in property, plant and equipment and intangible assets** for the acquisition of a portfolio of wind and solar farms in the United States (317 MW)<sup>3</sup>, and in France (73 MW), the repowering of Italian wind farms with approximately 177 MW of new installed capacity commissioned during 2024, the construction of greenfield farms in Italy (47 MW), France (59 MW), of which 41 MW were commissioned in 2024, and the UK (47 MW), the repowering of a wind farm in Germany (6 MW), and the launch of activities for the first storage project (13 MW).

The **net financial indebtedness before IFRS 16** totalled **EUR 1,793 million**, a significant increase (EUR +348 million) compared to 31 December 2023 (EUR 1,445 million).

The change mainly reflects the effects of capital expenditure and acquisitions carried out during the year (EUR 553 million), the distribution of dividends to shareholders (EUR 152 million), tax payments (EUR 39 million), and the two share buy-back programmes (EUR 47 million), partially offset by the positive operating cash flow for the period (EUR 485 million<sup>4</sup>).

**Net financial indebtedness after IFRS 16** includes the liabilities (pursuant to IFRS 16) relating to the discounting of future lease payments equal to EUR 229 million at 31 December 2024 (EUR 172 million at 31 December 2023). The increase in the period is attributable to the scope effect due to the acquisitions of wind farms and photovoltaic systems in the United States and in France and the new wind farms developed internally.

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<sup>2</sup> It should be noted that the Reported profit attributable to owners of the parent for 2023 included the contribution of the thermoelectric business, sold on 17 October 2023.

<sup>3</sup> The acquisition was finalised in April 2024.

<sup>4</sup> It includes the adjusted EBITDA and the change in working capital.

## Reference market

### Price scenario

Base load price scenario (EUR/MWh)	Year	
	2024	2023
<b>Italy</b>		
Single National Price <sup>(1)</sup>	109	127
Feed-In Premium (FIP) (former Green Certificates) – Italy	42	0
TTF	35	41
CO2	65	83
<b>Abroad</b>		
France	58	97
Germany	78	95
Poland	107	144
<i>of which Electricity</i>	96	112
<i>of which Certificates of Origin</i>	11	32
Bulgaria	103	104
Romania	133	133
<i>of which Electricity</i>	104	104
<i>of which Green Certificate</i>	29	29
Northern Ireland	109	122
Great Britain	85	108
Spain	63	87
Sweden SE4	50	65
MISO-MidAm	22	n.a.
MISO-Illinois	28	n.a.

<sup>(1)</sup> Single National Price.

## Regulatory Framework – Incentives and Tariffs

### Incentives and tariffs Italy

- Wind**
- Plants that entered into operation before 2013: feed-in premium (FIP) equal to  $(180 \text{ EUR/MWh} - P_{-1}) \times 0.78$  where  $P_{-1}$  is the average annual value of the sale price of the electricity of the previous year. Duration of the incentive: 15 years
  - Plants that entered into operation from 2013: FIP against a reference rate awarded through participation in Dutch auctions. With the Italian Ministerial Decree of 4 July 2019, wind power and photovoltaic power compete for the same quota both for the registries and for the auction procedures and the FIP is a “two-way CfD”. Duration of the incentive: 20 years. As of September 2023, the reference tariff values for auction procedures are subject to updating on the basis of the national consumer price index for the entire community (NIC), to take into account the cumulative average inflation from August 2019 until the month preceding the date of the auction, in application of Italian Decree Law no. 57/2023.
  - Plants subject to complete reconstruction (Repowering) can participate in auctions, competing directly with the new plants (starting from the sixth auction even if they have not endorsed the so-called “Spalma-incentivi”) albeit with the application of a 5% deduction on the awarded tariff. In addition, a gradient coefficient D of 0.9 is applied to the incentive component (understood as the differential between the awarded tariff and the hourly zonal price).
- Solar**
- Incentives for photovoltaic systems are paid through a FIP tariff on the energy fed into the grid for a duration of 20 years.
  - The feed-in tariff was introduced in Italy with the Interministerial Decrees of 28 July 2005 and of 6 February 2006 (1st Feed-in Premium) which provided for a financing system for electric power generation operating expenses.



- New measures were introduced with the Italian Ministerial Decree of 19 February 2007 (2nd Feed-in Premium) such as the application of the incentive tariff on all energy produced by the plant and differentiation of tariffs also based on the type of architectural integration and the size of the plant.
- In 2010, the 3rd Feed-in Premium came into effect with the Italian Ministerial Decree of 6 August 2010, applicable to plants in operation from 1 January 2011 to 31 May 2011, which introduced specific tariffs for integrated photovoltaic systems with innovative characteristics. Italian Law no. 129/2010 (so-called "salva Alcoa" law) then confirmed the 2010 tariffs of the 2nd Feed-in Premium for all plants able to certify the conclusion of works by 31 December 2010 and become operational by 30 June 2011.
- The Italian Ministerial Decree of 5 May 2011 (4th Feed-in Premium) defined the incentive mechanism relating to plants coming into operation after 31 May 2011 and introduced an annual cumulative cost limit for incentives, set at EUR 6 billion.
- The Italian Ministerial Decree of 5 July 2012 (5th Feed-in Premium) partly confirmed the provisions of Italian Ministerial Decree of 5 May 2011 and fixed the cumulative cost of incentives at EUR 6.7 billion. The incentive provisions of the Feed-in Premium were no longer applied after 6 July 2013 when the ceiling of EUR 6.7 billion was reached.
- The Italian Ministerial Decree of 17 October 2014 (so-called "Spalmaincentivi" decree) made it mandatory for producers to choose, by November 2014, a method for remodulating the incentive:
  - a) extension of the incentive period by a further 4 years with simultaneous reduction of the unit incentive by a value of between 17% and 25%, depending on the residual life of the right to incentives;
  - b) an initial period of incentive reduction followed by a subsequent period of increase thereof for an equivalent amount;
  - c) flat reduction applied for the remaining incentive period, variable between 6% and 8% depending on the size of the plant.
- The Italian Ministerial Decree of 4 July 2019 allows photovoltaic systems to access the incentives, for 20 years, through auctions and registries together with the wind power quota provided that:
  - a) they are authorised;
  - b) they use new components;
  - c) they comply with the prohibition on installing ground-mounted modules in an agricultural area; this prohibition does not apply to agrivoltaic plants which, in compliance with the provisions of Article 65, paragraph 1-quater, of Italian Decree Law no. 1 of 24 January 2012, use innovative supplementary solutions that do not compromise the continuity of agricultural cultivation and pastoral activities. Access to incentives for agrivoltaic plants is also subject, in compliance with the provisions of Article 65, paragraph 1-quinquies, of Italian Decree Law no. 1 of 24 January 2012, to the simultaneous implementation of monitoring systems that make it possible to verify the impact on crops, water savings and agricultural productivity.

## Incentives and tariffs Abroad

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| <b>Germany</b> | <b>Wind</b>  | <ul style="list-style-type: none"> <li>• Plants that entered into operation by July 2014: Feed-In Tariff (FIT) and, on an optional basis, FIP plus a management premium (EEG 2012).</li> <li>• Plants that entered into operation from August 2014 to December 2016: FIP (EEG 2014).</li> <li>• Plants authorised by the end of 2016 and in operation by 2018: a transition period is provided for, in which it is possible to continue to benefit from the tariffs set out in the EEG 2014 of declining value in relation to the actual new power installed during the year.</li> <li>• Plants that entered into operation from 2017 onwards: FIP incentives allocated through Dutch auctions (EEG 2017, EEG 2021 and EEG 2023). The duration of the incentive is approximately 20 years. The value of the incentive is determined on the basis of a 1-year Contract for Difference (CfD) and the tariff awarded in the auction is adjusted according to the so-called "Referenzertrag" formula.</li> </ul> |
| <b>Germany</b> | <b>Solar</b> | <ul style="list-style-type: none"> <li>• Systems that entered into operation from 2017 onwards: FIP incentives allocated through Dutch auctions (EEG 2017, EEG 2021, EEG 2023). Ground-mounted photovoltaic systems up to a capacity of 20 MW can access the auctions. This limit (already waived by the transitional provision for the 2023 financial year only up to 100 MW) was definitively amended up to 50 MW with SolarPackage 1 (published in the Federal Law Gazette of 15</li> </ul>   |

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		<p>May 2024) but is currently awaiting validation by the Commission European.</p> <ul style="list-style-type: none"> <li>The value of the incentive is determined on the basis of a one-way Contract for Difference (CfD) for around 20 years.</li> </ul>
<b>France</b>	<b>Wind</b>	<ul style="list-style-type: none"> <li>Plants that stipulated the application to purchase electricity generation by December 2015: a Feed-In Tariff (FIT) for 15 years, defined based on the year the application to purchase electricity generation was made and updated annually according to a formula tied to the index of hourly labour cost and to the index of the generation prices of industrial products. After 10 years of operation, it will be reduced for the subsequent 5 years of the incentive based on the wind farm's actual load factor if the annual number of hours of operation exceed 2,400.</li> <li>Plants that stipulated the application to purchase electricity generation in 2016: feed-in premium (FIP). The FIP is divided into several components: the incentive component (<i>complément de rémunération</i>), calculated as the difference between the current FIT and the average monthly price of energy weighted on the national wind power profile, plus a management premium to cover the costs for managing the sale of energy.</li> <li>New plants that do not fall into the above categories; recognition of incentives occurs through auction procedures (for the awarding of incentives with a duration of 20 years partially adjusted to inflation indices on an annual basis) or direct access in the case of plants with a capacity of less than 18 MW and wind turbines with a unit capacity of no more than 3 MW and meeting specific criteria.</li> </ul>
<b>France</b>	<b>Solar</b>	<ul style="list-style-type: none"> <li>A FIT system introduced in 2000 and from 2011 auctions for photovoltaic systems with a capacity of between 250 kW and 17 MW.</li> <li>From 2018, auctions for photovoltaic systems with a capacity exceeding 500 kW for the assignment of a two-way CfD with 20-year term, partially adjusted for inflation indices on an annual basis.</li> </ul>
<b>Bulgaria</b>	<b>Wind</b>	<ul style="list-style-type: none"> <li>A feed-in tariff (FIT) in brackets based on hours of operation, which is constant in nominal terms. The duration of the incentive varies based on the date of entry into operation, and can be equal to 12 years or 15 years. From 1 January 2019, for existing plants with capacity of over 4 MW, the incentive scheme moved from a FIT structure to a FIP structure. The incentive is calculated as the difference between the value of the FIT, as previously recognised, and a Reference Price calculated on the estimate of the future price of electricity adjusted on the wind profile. From 1 October 2019, existing plants with capacity between 1 MW and 4 MW also moved to the FIP.</li> </ul>
<b>Poland</b>	<b>Wind</b>	<ul style="list-style-type: none"> <li>Plants in operation by July 2016: Certificates of Origin (CO). The Substitution Fee (the penalty applied in the event of non-compliance with the CO purchase obligation) is calculated on the basis of the weighted annual average of the prices of the CO recorded the previous year, plus 25%.</li> <li>From 2018 onwards, a multi-technology Dutch auction system was reintroduced, i.e. wind – photovoltaic. The quotas and the starting auction prices are defined by the Government. The incentive, which has a 15-year duration, is calculated as the difference between the awarded price, inflated on a yearly basis, and the average daily price of electricity (two-way CfD).</li> </ul>
<b>Romania</b>	<b>Wind</b>	<ul style="list-style-type: none"> <li>Green Certificates with a duration of 15 years with delayed assignment with respect to the underlying electricity output. Specifically: <ul style="list-style-type: none"> <li>a) recovery period of the Green Certificates (GCs) held from 1 July 2013 to 31 March 2017 (it takes place at constant instalments through the years 2018-2025);</li> <li>b) the period of validity of the GCs, which is planned until 31 March 2032 (only GCs issued before 31 March 2017 maintain the validity of 12 months).</li> </ul> </li> <li>The cap and the floor between which the price of the GCs may fluctuate were set respectively at 35 EUR/MWh and 29.4 EUR/MWh.</li> <li>From 2018 onwards, the mandatory quota for the electricity consumers shall be</li> </ul>

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determined according to a pre-set fixed volume of GCs on the market and a maximum average expense on the end consumer.

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| <b>Spain</b> | <b>Solar</b> | <ul style="list-style-type: none"> <li>• <i>Regimen Especifico</i>, where the main element of revenue supplementation is the “<i>Retribución a la Inversión</i>” (Return on Investment), expressed in EUR/MW, calculated on an annual basis and paid for the entire duration of the incentive period of 30 years, based on the plant's capacity. An additional element of revenue supplementation is also envisaged, expressed in EUR/MWh, if necessary, to cover operating costs, the “<i>Retribucion a la Operacion</i>” (<i>Return on Operation</i>).</li> <li>• From 2016: the introduction of the auction mechanism for the recognition of “<i>Retribución a la Inversión</i>” (Return on Investment), calculated on an annual basis and paid for the entire duration of the incentive period of 25 years, based on the plant's capacity and the winning bid. Discount offered on the standard value of the initial investment (EUR/MW), which represents the main remuneration parameter for calculation of the Return on Investment.</li> <li>• From 2020, abandonment of the previous incentive system, based on a Return Asset Base system, in favour of the adoption of a system based on remuneration of the electricity produced. The incentive is calculated as the difference between the awarded price and the average daily price of electricity (two-way CfD). The remuneration period is not fixed but lasts for a period no less than 12 years and up to the attainment of the maximum volume of energy subject to incentives.</li> </ul> |
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| <b>United States</b> | <b>Wind<br/>Solar</b> | <p>To promote the spread of renewable energy, a mechanism of Renewable Energy Certificates (RECs) is in place in the US. These can be issued to electricity producers for every megawatt-hour of electricity generated by RES and supplied to the grid. RECs are tradeable environmental securities, and can be sold either together with the electricity produced by the generator (bundled) or separately from the electricity (unbundled).</p> <p>Many States in the US have set renewable energy portfolio standards (RPS – Requirement Portfolio Standard) that electricity service providers are required to guarantee. To demonstrate compliance with the standards, electrical service providers use RECs, thereby generating demand for certificates. Within the MISO, RPSs are only applied in four States (Illinois, Minnesota, Indiana and Michigan), but RECs issued in Illinois can also be traded in the adjacent PJM electricity market, where States have set more demanding RPSs.</p> <p>Tax Equity Partnership (TEP): these agreements, typical of the US Renewable Energy market, are a form of project incentive that uses a combination of cash flows generated by the Project and tax benefits. The structures of Tax Equity agreements can vary, but generally, in return for an investment made by the so-called Tax Equity Partner (Partner) upon the completion of plant construction, the investment return primarily comes through the allocation of tax credits (Investment Tax Credit, ITC, or Production Tax Credit, PTC). The Mulligan Solar, LLC solar project benefited from an ITC, already finalised by its nature before closing, while the Great Pathfinder Wind, LLC wind project benefits from PTC incentives, extended over time.</p> |
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## Relevant legislative and institutional updates during the year

### EUROPEAN UNION

- **European Parliament elections**

On 18 July 2024, Ursula Von der Leyen was re-elected as head of the European Commission, thanks to the support of EPP, S&D, Renew and Verdi. In his keynote speech, he confirmed the climate targets for 2050 and the Green Deal, while also opening up to e-fuels. Key initiatives expected to be presented in the early months of the legislative term include the launch of a Competitiveness Fund, the promotion of electricity demand through an Electrification Plan, and an industrial decarbonisation plan (Clean Industrial Deal).

- **National Energy and Climate Plans (NECP)**

National Energy and Climate Plans were introduced by the Governance Regulation of the Energy Union and Climate Action (EU) no. 2018/1999. EU Member States were required to submit the final updated versions of their NECPs to the European Commission by 30 June 2024.

At 15 January 2025, 21 of the 27 Member States had submitted their updated plans. The NECPs have varying levels of transparency and data quality, and the European Commission has provided formal feedback on the documents submitted.

- **Electricity Market Reform**

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

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

- **Infringement procedures on renewable permitting**

The European Commission has launched infringement procedures against several Member States (except Denmark) for failing to transpose the regulatory simplifications and permitting accelerations required by RED III. After examining the responses received, Brussels decided to **proceed with**

**the second phase of the infringement procedure**, sending several countries a **reasoned opinion for failing to notify transposition measures**.

**According to the Commission, Italy, Bulgaria, Spain, France and Sweden are among the eight Member States** that have not yet transposed the new provisions.

- **European Council – Extension of subsidised permitting for repowering**

On 10 January, **Regulation (EU) no. 2024/223** was published in the Official Journal of the European Union, extending until the end of June 2025 the period of application of the authorisation procedures for the deployment of renewable energy established by Regulation (EU) no. 2022/2577.

Among the most significant provisions, it is worth noting the maximum six-month deadline for authorisation procedures for repowering renewable plants including environmental impact assessment (where required) and grid connection applied to projects located in a "renewable/'suitable' area".

- **TSO disconnection from the TERRE project**

The TSO members of the TERRE project have decided to suspend the operation of the European platform for the exchange of balancing energy from replacement reserves by the end of 2025. This change could affect the formation of imbalance prices from 2025.

The Electricity Market Design Reform (EMDR), adopted on 21 May 2024, mandates the closure of the cross-border intraday market 30 minutes before real-time, making the Replacement Reserves (RR) process incompatible due to long activation times and reduced market liquidity.

As a result, the TSO members of TERRE have decided not to implement the 96 planned clearing sessions, avoiding significant investments for a limited operational period, and to disconnect from the Platform by 2025. Terna disconnected starting from 1 January 2025, while Red Electrica, REN, RTE and Swissgrid will complete the disconnection by the end of 2025.

- **New REMIT regulation**

Following the approval by the Council of the European Union, on 7 May a new regulation amending the regulation on wholesale energy market integrity and transparency (Regulation (EU) no. 1227/2011, REMIT) and the regulation establishing the EU Agency for the Cooperation of Energy

Regulators (ACER), (Regulation (EU) no. 2019/942) came into force in Italy and the other EU countries. The new regulation, to which ERG is subject as a market operator in the EU countries where it operates, imposes stricter requirements on EU market operators residing in a third country, requiring them to designate a representative in a Member State where they are active in the wholesale energy market. It grants ACER the authority to investigate cases with a cross-border dimension involving at least two Member States. Additionally, ACER will have new tools for conducting investigations, such as the ability to perform on-site inspections, request information, and take statements. The power to impose financial penalties

for violations of prohibitions or substantive obligations under the Regulation remains with the Member States.

- **European Commission – Net Zero Industry Act (NZIA)**

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

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

## ITALY

- **Publication of the “transitional” RES-X Ministerial Decree**

In February 2025, the Ministry of Environment and Energy Security published the Ministerial Decree outlining the Italian support scheme for renewable energy to support electricity production from renewable sources, following the approval of the European Commission at the end of 2024.

This scheme, applicable only for 2025, is part of the broader five-year mechanism for supporting renewable energy through CfDs awarded via auctions, as outlined in Italian Legislative Decree no. 199/2021. The multi-year programme includes auction quotas totalling 16.5 GW for onshore wind and 40 GW for utility-scale solar photovoltaics.

The objective of the Italian transitional FERX Ministerial Decree is to support the installation of up to 17.65 GW of new renewable capacity by 2025, with 3 GW reserved for small-scale plants (up to 1 MW) and the remaining capacity allocated to larger plants (10 GW solar and 4 GW wind). The support mechanism involves competitive bidding procedures to ensure transparency and non-discrimination. The plants must be operational within 51 months (with the last 15 months involving a progressive tariff reduction) from the publication of the award ranking. Contracts for Difference (CfD) with incentive tariffs valid for 20 years will be used.

In case of curtailment orders or zero or negative market prices, the incentive tariff will be calculated based on potential production. Only 95% of production will be covered by the CfD, leaving 5% exposed to market risk. Penalties are envisaged for early exit from the CfD, up to 20% of the standard investment cost.

A single auction per technology will be held, so that the incentive can be assigned by the end of 2025.

- **Reform of the Integrated Text on Electricity Dispatching (TIDE)**

Starting from 1 January 2025, the new TIDE came into effect, alongside other significant measures, including the phase-out of the PUN and the transition to a 15-minute Imbalancing Settlement Period (ISP).

The reform includes a transitional phase until 1 February 2026, followed by a consolidation phase and then a full implementation phase no earlier than 2027. During the transitional phase, the main changes include (i) the shift to a 15-minute ISP, (ii) the restructuring of energy markets and the revision of the nomination platform, introducing a separation between schedules and commercial positions for individual units, and (iii) the maintenance of all PUs (Production Units) authorised under Resolution no. 111/06 and the UPR project (Unità di Produzione Rilevanti – Significant Production Units) as UASs (Unità Abilitate Singole – Single Authorised Units), with alignment between Balancing Service Providers (BSPs) and Balancing Responsible Parties (BRPs). The Balancing and Redispatching Market (MBR) is formally introduced, effectively a renaming of the existing markets. The MBR and the reconciliation with the balancing platforms will be managed according to the current rules and methods.

- **Conversion Law of the “Sicurezza Energetica” Decree Law**

In early 2024, Italian Law no. 11/2024 converting, with amendments, Italian Decree Law no. 181/2023, known as the “Sicurezza Energetica” (Energy Security) Decree, was published. The main changes introduced include authorisation for photovoltaic systems also in agricultural areas that are not designated as “suitable”, an increase in the threshold for the simplified procedure for PV projects in suitable areas, and a clarification of the mandatory but non-binding nature of the opinion of the Italian Ministry of Culture in the EIA procedure for projects in suitable areas.

In the energy market sector, the single national price (PUN) is expected to be phased out in favour of zonal



prices for end customers, starting on 1 January 2025. During this transition, an index entirely equivalent to the PUN will be adopted.

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

An "energy release" mechanism will be introduced in favour of energy-intensive companies, which will be able to purchase electricity at a fixed price from the GSE for a period of three years.

This mechanism, defined further by Italian Ministerial Decree no. 268/2024 of the Ministry of Environment and Energy Security (MASE), aims to incentivise the installation of renewable energy generation plants by energy-intensive end customers within a period of 40 months. It provides for a 36-month advance period during which the GSE supplies energy to energy-intensive companies, which commit to developing renewable energy plants that will return the advanced energy over the following twenty years. The generation capacity can come from new photovoltaic, wind or hydroelectric plants with a minimum power of 200 kW or from upgrades to existing plants that increase power by at least 200 kW. The total generation capacity, which can also be developed through third parties, must be at least twice the capacity required to return the energy advanced by the GSE over the 36-month period.

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

Italian Legislative Decree no. 63 of 15 May 2024 (so-called "Agriculture Decree Law"), on the other hand, introduced a ban on the installation of new photovoltaic systems with ground-mounted modules and the expansion of existing systems in areas classified as agricultural by urban planning regulations. In the final version converted into law, the ban does not apply to projects involving modifications, refurbishment, upgrading or complete reconstruction of existing plants, provided that they do not result in an increase in the area occupied. Quarry and mining sites, areas under concession to Ferrovie dello Stato and airport concessionaires, highway buffer zones, areas within industrial plants, as well as projects for Renewable Energy Communities and so-called "advanced" agrivoltaic systems, also remain exempt. Excluded from the prohibition are also projects whose authorisation process has already been started, at least for one of the administrative procedures, including environmental assessment procedures.

- **Suitable Areas Decree**

In July 2024, the Decree was published, implementing Article 20, paragraphs 1 and 2, of Italian Legislative Decree no. 199 of 2021, which regulates suitable areas for the installation of renewable energy plants.

Pursuant to Article 20, paragraph 4 of Italian Legislative Decree no. 199/2021, and the principles and criteria established by this decree, the Regions are required, **within one hundred and eighty days** from the date of its entry into force, to identify by **regional law** the areas specified in Article 1, paragraph 2 of the decree: a) suitable areas, b) unsuitable areas, c) ordinary areas, and d) areas where the installation of ground-mounted photovoltaic systems is prohibited. The Sardinia region has enacted a particularly restrictive regional law (Italian Law no. 20 of 05/12/2024), preceded by a moratorium pending its approval. At the end of January 2025, the Council of Ministers challenged Regional Law No. 20 before the Constitutional Court, contesting its legitimacy on several grounds.

- **Consolidated RES Law (Italian Legislative Decree of 25 November 2024)**

This measure aims to simplify and harmonise the procedures for the construction, operation and modification of renewable energy plants, storage systems and related works.

The administrative regimes have been streamlined to three: Free Activity, Simplified Authorisation Procedure and Single Authorisation, with the environmental impact assessment only being required for the latter. Additionally, stricter deadlines have been introduced for the duration of the authorisation processes to reduce delays and waiting times. Finally, by May 2025, the GSE is expected to publish a national map of available areas for renewable energy plants and their potential, which will serve as the basis for identifying acceleration zones for renewables and storage.

- **Environment Decree (Italian Decree Law no. 153/2024) and conversion law**

The Environment Decree, issued in October 2024 and converted into law in December, aims to introduce environmental protection measures, streamline authorisation procedures, and promote the circular economy. The revision introduced aims to simplify and expedite authorisation procedures by providing a clearer definition of responsibilities, procedural steps and deadlines, including a reduction in the total time required to complete the process.

More specifically it:

- i) recognised the priority of dealing with repowering projects in the environmental impact assessment procedures by the NRRP-PNIEC Commission;
- ii) preserved the possibility of expropriating land for wind installations and related works, while for other energy sources, this option is limited to areas affected by related works.

- **FER 2 Decree published**

In August 2024, the decree supporting innovative

renewable energy sources (known as FER 2) was published. It aims to incentivise innovative plants based on biogas, biomass, solar thermodynamics, zero-emission geothermal, offshore wind, floating photovoltaic and marine energy sources.

The GSE has also published the Operational Rules, which set out the procedures for participating in the competitive processes established by the Decree and, for eligible plants, the methods for accessing incentives. The first auction procedure opened on 16 December and ended on 14 February.

- **Electricity Storage Capacity Procurement Mechanism (MACSE)**

Italian Legislative Decree no. 210/21 introduced a new Electricity Storage Capacity Procurement Mechanism (MACSE), designed to support the systematic development of storage capacity within the system, in anticipation of increased renewable energy production and planned grid developments. This mechanism will enable the system to acquire new storage capacity through long-term procurement contracts, awarded via competitive auctions organised by Terna. Operators with new storage facilities will be able to participate in these auctions, with the first editions scheduled for the second half of 2025 and targeted at electrochemical storage systems.

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

On 16 January, the Regional Administrative Court (TAR) of Lazio raised several questions of constitutional legitimacy concerning Italian Law no. 197 of 2022, which provided for the payment in 2023 of the "temporary solidarity contribution" on the "surplus profits" of sector operators. The order points out the possible violation of European Regulation no. 1854/2022, as the law extended the payment of the contribution also to renewable energy operators, not included in the regulation. Following the January hearing, the Constitutional Court issued Order no. 21/2025 in February, referring a preliminary question to the Court of Justice of the European Union on the compatibility of the contribution applied to energy sector operators in 2022 with EU law. Pending the response from the Court of Justice, the ongoing proceedings remain suspended.

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

With **Ruling no. 111/2024**, the Constitutional Court ruled on the issue of the constitutionality of the extraordinary contribution against the high cost of utility bills, as set forth in Article 37 of Italian Decree Law no. 21 of 21 March 2022, declaring it **partially unlawful**, only in the part in which it includes excise

duties in the taxable base of the contribution. It should be recalled that the aforementioned judgment of legitimacy – instituted at the instigation of the Tax Courts of First Instance of Milan and Rome – identified multiple reprehensible aspects of Article 37, in respect of which ERG had also lodged an appeal.

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

## FRANCE

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

In May, the highest administrative court decided not to pass on the issue of constitutionality concerning the contribution on infra-marginal income (CRIM). However, the 2025 finance law does not contain an extension of this measure.

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

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

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

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

## GERMANY

- **Electricity grid development plan**

The Federal Network Agency confirmed the Electricity Grid Development Plan 2023-2037/2045, which envisages a significant increase in electricity transmission capacities. The plan includes approximately 4,800 kilometres of new lines and 2,500 kilometres of reinforcements to existing connections compared to the current federal demand plan. In addition, five new HVDC connections with a capacity of 2 GW each and



measures to integrate offshore power generation into the onshore grid are planned. The Agency believes that other 35 projects in the North Sea and the Baltic Sea are needed by 2045 to connect up to 70 GW of offshore wind capacity.

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

- **Solar Package 1**

The German Bundestag and Bundesrat approved Solar Package 1 in April 2024, aimed at supporting the photovoltaic industry. The new legislation provides for greater incentives for companies installing photovoltaic systems on roofs, with regulatory simplifications for agricultural solar systems. Citizens will now be able to install small solar systems on their balconies without bureaucratic complications, while homeowners will be able to generate their own electricity.

The package also includes provisions to accelerate the expansion of wind energy, biomass and to improve grid connections, as well as some changes to the EEG23 auction.

- **National elections**

On 23 February 2025, Germany held early elections, called by Chancellor Olaf Scholz (SPD) following the crisis that led to the breakup of the previous governing coalition. The election results favoured CDU/CSU, which secured 28.6% of the votes, while the far-right AfD surged to 20.8%, reflecting growing discontent with migration and economic policies. At the same time, SPD and the Greens saw a significant decline in support. The new composition of the Bundestag allows for the formation of a coalition between CDU/CSU and SPD, with the leader of the former being designated as the chancellor-in-waiting. He has announced his intention to form the government by April.

## UK

- **Abolition of the de facto ban on onshore wind in England**

Starting in 2015, the Conservative Party introduced two amendments to the National Policy Planning Framework, which effectively allowed a small local opposition to block the installation of onshore wind farms. The new government, as of 8 July, has removed these restrictions, reopening the market

after nearly 10 years of stagnation.

- **Unification of the grid operator**

The UK government acquired the grid operator from National Grid and, starting from 1 October 2024, began operating the National Energy System Operator (NESO).

NESO aims to adopt an integrated approach to planning the UK's energy system, considering electricity, gas, hydrogen, renewables, storage, and emerging technologies such as carbon capture and utilisation. NESO has developed several decarbonisation scenarios and published the "Beyond 2030" report, in which it recommends various network upgrades to support the government and Ofgem in infrastructure decisions, aiming to accelerate grid connections (undergoing reform) and promote the UK's climate neutrality goals.

- **Electricity Generator Levy 2024**

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

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

- **Ofgem approves the temporary suspension of new connection requests**

Starting from 29 January 2025, NESO and the Transmission Owners (TOs) of the United Kingdom will implement a transitional change to the transmission grid connection process, which provides for a suspension of new connection applications, with some exceptions. Only requests for changes already in progress will remain open, according to an exception process.

The decision follows the connection reform plan presented by NESO in December 2024, aimed at introducing "readiness" and "strategic alignment" criteria for access to the reformed connection queue. NESO justified the suspension by stating the inability to manage the current process alongside the ongoing reforms, given that over 1,700 requests were received in 2023/24.

## SPAIN

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

The Council of Ministers, at the request of the Ministry for Ecological Transition and Demographic Challenge (MITECO), has approved an amendment to the Electricity Transmission Grid Development Plan to be implemented by 2026. This amendment comprises 73 actions, with an investment of EUR 489

million, aimed at facilitating the development of strategic projects including the integration of storage systems and generation from renewable sources.

At the same time, work began in December 2023 on a new Plan with a 2030 horizon, bringing forward the usual planning cycle by six years, in order to respond more promptly to the energy transition process, which will include further grid development actions.

## ROMANIA

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

The Minister of Energy approved a new limit on electricity prices for producers, reduced to 400 Lei/MWh (approximately 80 EUR/MWh) from the previous 450 Lei/MWh, a decrease of approximately 10 EUR/MWh. In addition, the contribution to the Energy Transition Fund was introduced as a recovery mechanism, calculated on the difference between the monthly sales price and a reference price, to be paid until 31 March 2025. Electricity generators and aggregators trading electricity and/or natural gas on the wholesale market through hedging contracts will be required to pay this contribution to the Fund.

- **Ratification of extension of measures on "surplus profits"**

Budget Law 2024 ratified the extension of the application of the revenue capping mechanism. According to Article 3, effective from 1 January 2024, electricity producers will have to continue to declare and pay the contribution also for the period from 1 January 2024 to 31 December 2024.

For producers with "premium compensation contracts" in force as of 8 October 2022, such as all ERG SPVs, the price cap remains set equal to the value of the respective FIP (with a contribution to be calculated on 90% of the surplus). For the other contract types (market plants) the price cap value from July 2023 is equal to 300 BGN/MWh (approx. 150 EUR/MWh),

reduced compared to the price cap of 350 BGN/MWh (approx. 180 EUR/MWh) at the beginning of the measure.

This measure was recently extended to the whole of 2025.

## SWEDEN

- **Flow based market coupling**

The Market Coupling project for the electricity markets of the Nordic countries based on the flow based methodology was launched with effect from 30 October 2024.

The aim of the new calculation method is to enhance socio-economic benefits by increasing the utilisation of high-voltage interconnections and maximising the injection of renewable energy sources (RES).

## US

- **Trump elected US president**

Immediately after taking office, the new president, Donald Trump, issued a series of orders in favour of fossil fuels, leading to the risk of scaling back support mechanisms for the development of additional renewable energy sources. Additionally, trade policies between the United States and the European Union may shift, with the introduction of new tariffs and a possible devaluation of the dollar, potentially undermining Europe's competitiveness.

In particular, restrictions could be imposed on permits for renewable energy projects on federal lands, such as in the case of offshore wind energy. Lastly, changes to the Inflation Reduction Act (IRA) may affect tax credits for green hydrogen and imported electric vehicles.

At present, the projects already awarded the Inflation Reduction Act tax credit are not subject to this risk.

## Performance by country

(EUR million)		Year		
Adjusted Revenues		2024	2023 <sup>(1)</sup>	Δ
Italy		418	374	44
Abroad		319	367	(48)
	France	100	124	(23)
	Germany	55	89	(34)
	UK & Nordics	54	54	(1)
	Spain	24	27	(2)
	East Europe	68	73	(5)
	United States	18	-	18
Corporate		39	35	3
Intra-segment revenues		(37)	(35)	(2)
<b>Total adjusted revenues</b>		<b>738</b>	<b>741</b>	<b>(3)</b>
<b>Adjusted EBITDA</b>				
Italy		339	299	40
Abroad		216	256	(40)
	France	51	81	(30)
	Germany	34	68	(34)
	UK & Nordics	30	38	(8)
	Spain	15	20	(6)
	East Europe	54	49	5
	United States	32	-	32
Corporate		(21)	(21)	(0)
<b>Adjusted EBITDA</b>		<b>535</b>	<b>534</b>	<b>1</b>
<b>Amortization, depreciation and write-downs</b>				
Italy		(126)	(121)	(5)
Abroad		(133)	(97)	(36)
	France	(46)	(40)	(6)
	Germany	(21)	(20)	(1)
	UK & Nordics	(17)	(13)	(4)
	Spain	(12)	(6)	(6)
	East Europe	(19)	(18)	(1)
	United States	(18)	0	(18)
Corporate		(4)	(4)	(0)
<b>Amortization, depreciation and write-down</b>		<b>(263)</b>	<b>(223)</b>	<b>(41)</b>
<b>Adjusted EBIT</b>				
Italy		213	177	36
Abroad		83	159	(76)
	France	6	41	(36)
	Germany	12	48	(35)
	UK & Nordics	13	25	(12)
	Spain	3	15	(12)
	East Europe	35	31	5
	United States	14	-	14
Corporate		(25)	(25)	(1)
<b>Adjusted EBIT</b>		<b>271</b>	<b>312</b>	<b>(40)</b>
<b>Investments <sup>(2)</sup></b>				
Italy		135	219	(84)
Abroad		413	265	148
	France	142	25	117
	Germany	9	3	7
	UK & Nordics	26	45	(19)
	Spain	0	190	(190)
	East Europe	0	2	(2)
	United States	236	-	236
Corporate		5	4	0
<b>Total investments</b>		<b>553</b>	<b>489</b>	<b>64</b>

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

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

## ITALY

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

ERG is active in the generation of electricity in Italy, with an installed capacity of 1,468 MW in wind and 175 MW in solar.

Operating results	Year		
	2024	2023	Δ
<b>Installed capacity (MW) <sup>(1)</sup></b>	<b>1,643</b>	<b>1,496</b>	<b>148</b>
<i>Wind</i>	1,468	1,321	148
<i>Solar</i>	175	175	0
<b>Output (GWh)</b>	<b>2,720</b>	<b>2,784</b>	<b>(64)</b>
<i>Wind</i>	2,479	2,528	(49)
<i>Solar</i>	241	256	(15)
<b>Load factor % <sup>(2)</sup></b>			
<i>Wind</i>	20%	24%	-4%
<i>Solar</i>	16%	17%	-1%
<b>Net unit revenue (EUR/MWh)</b>	<b>149</b>	<b>131</b>	<b>19</b>
<i>Wind</i>	125	109	16
<i>Solar</i>	399	342	57

<sup>(1)</sup> capacity of plants in operation at the end of the year.

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

In 2024, electricity generation in Italy totalled 2,720 GWh, including 2,479 GWh from wind power and 241 GWh from photovoltaic plants. This marks a decline compared to 2023 (2,784 GWh, with 2,528 GWh from wind and 256 GWh from solar), mainly due to lower wind conditions. However, this decrease was only partially offset by the full contribution of repowered and greenfield plants that came into operation between the second half of 2023 and throughout 2024 (+280 GWh).

Economic results	Year		
	2024	2023	Δ
<i>(EUR million)</i>			
<b>Adjusted revenue</b>	<b>418</b>	<b>374</b>	<b>44</b>
<i>Wind</i>	320	285	34
<i>Solar</i>	98	89	9
<b>Adjusted gross operating profit</b>	<b>339</b>	<b>299</b>	<b>40</b>
<i>Wind</i>	250	220	30
<i>Solar</i>	90	79	10
<b>Amortisation, depreciation and impairment losses</b>	<b>(126)</b>	<b>(121)</b>	<b>(5)</b>
<i>Wind</i>	(81)	(75)	(6)
<i>Solar</i>	(45)	(47)	2
<b>Adjusted operating profit</b>	<b>213</b>	<b>177</b>	<b>36</b>
<i>Wind</i>	168	145	24
<i>Solar</i>	45	33	12
<b>Capital expenditure in property, plant and equipment and intangible assets</b>	<b>135</b>	<b>219</b>	<b>(84)</b>
<i>Wind</i>	116	201	(85)
<i>Solar</i>	11	18	(7)
<i>Storage</i>	8	-	8
<b>EBITDA Margin % <sup>(1)</sup></b>	<b>81%</b>	<b>80%</b>	<b>1%</b>
<i>Wind</i>	78%	77%	1%
<i>Solar</i>	92%	89%	2%

<sup>(1)</sup> ratio of adjusted EBITDA to revenue from sales and services.

Revenue in 2024 increased primarily due to the value of the GRIN incentive (42 EUR/MWh), compared to 2023 when the GRIN was zero. This growth was also supported by the full contribution of repowered and greenfield plants that came into operation. However, the increase was partially offset by the significantly lower wind conditions during the period.

In light of the above, for ERG the net unit revenue from wind power in Italy, considering the sale value of energy, including the value of incentives (former green certificates) and hedges as well as other minor components, was equal to 125 EUR/MWh (109 EUR/MWh in 2023).

Net unit revenue from photovoltaic systems amounted to 399 EUR/MWh (342 EUR/MWh in 2023), up due to hedging set at higher prices than 2023 and higher feed-in tariff revenue due to “incentive allocation”.

**Adjusted EBITDA** in Italy in **2024** amounted to EUR 339 million, up compared to 2023 (EUR 299 million).

Depreciation and amortisation for the period (EUR 126 million) was up compared to 2023 (EUR 121 million) due to the full contribution of the repowered and greenfield plants that came into operation.

### **Capital expenditure**

Capital expenditure in Italy for **2024 (EUR 135 million)** mainly relates to the completion of construction activities for the Roccapalumba greenfield plant (47 MW), repowering activities (177 MW) at the Mineo-Militello-Vizzini and Salemi-Castelvetrano plants, which became operational in 2024, as well as routine maintenance aimed at further increasing plant efficiency. In Solar, the Revamping of the plants has begun, aimed at ensuring greater efficiency of the same. In addition, activities relating to the Storage Project (13 MW) were launched.

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

See also the “Relevant regulatory and institutional updates” chapter.

- **ARERA – Reference price for calculating incentives (formerly GCs) for 2024**

On 30 January 2024, ARERA published Resolution no. 14/2024/R/efr to determine the average sale price of electricity in 2023 (PEE) for the purpose of quantifying the value of incentives replacing green certificates for 2024. On 21 January 2025, ARERA published Resolution no. 9/2025/R/EFr titled “Determination of the average electricity sale price in 2024 for the purpose of quantifying the value of incentives replacing the former Green Certificates for 2025”. In 2024, the PEE was set at 109.05 EUR/MWh.

Consequently, the value of the incentives (replacing the former Green Certificates) in 2025, calculated using the formula =  $0.78 * (180 - PEE)$ , amounts to 55.34 EUR/MWh.

- **ARERA – IMBALANCE PRICES FOLLOWING CONNECTION TO “PICASSO”**

On 1 March, ARERA published the results of its investigation into the formation of highly negative imbalance prices following Terna's operational launch on the European “PICASSO” platform.

The analysis led ARERA to request that Terna suspend its operational participation in the PICASSO platform as soon as technically possible and, in any case, by 15 March 2024, pending the approval and implementation of mitigation measures proposed by TSOs at the European level and a report from Terna on the issue, including proposals for potential mitigations and alternative models for participation in the platform.

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

- **Participation of Terna in the European MARI platform**

ARERA approved Resolution no. 174/2024/R/eel, establishing the work plan for the launch of Terna's participation in the European MARI platform for the exchange of mFRR balancing energy. The planned start date for Italy was 24 July 2024. However, considering the problems encountered with the PICASSO platform, which led to the suspension of Italy's operational participation in March 2024, ARERA approved a new work plan. This plan includes finalising the proposed amendments to the Grid Code for coordination between MSD and MARI, conducting a public consultation on the proposals, and submitting the final proposal to ARERA by October 2024.

- **CAPACITY MARKET 2025+ -ARERA RESOLUTION NO. 199/2024**

On 23 May, ARERA approved Resolution no. 199/2024/R/eel, “Economic parameters for the competitive procedures of the capacity market for the delivery years 2025, 2026, 2027, and 2028.” The maximum defined premium is outlined below:

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

For newly constructed plants, it is required that construction work begins after the auction execution date. The start of work is defined as the date when construction activities affecting the production unit begin or, if earlier, the date of the

first binding commitment to order the necessary equipment or any other commitment that makes the investment irreversible.

- **Update on the entry into force of TIDE**

Since the implementation of TIDE by Terna and GSE has progressed more slowly than expected, ARERA has defined a transitional phase from 1 January 2025 to 1 February 2026, during which TIDE will be applied in a reduced version.

## Wind

- **Exceeding the PUN**

Starting from 1 January 2025, the National Single Price (PUN) of the wholesale electricity market will be replaced, and the so-called “zonal prices” will be applied. However, a balancing component will be added to these prices to effectively bring them back to the value of the PUN, which will, however, be replaced by the GME PUN Index.

The GME PUN Index is essentially calculated in continuity with the PUN, meaning it is the weighted average of electricity prices across different zones in Italy, taking into account the quantities of energy sold and the time-of-use periods.

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

Owners of photovoltaic plants incentivised under the various “Conto Energia” schemes, which operated between 2006 and 2012 and are already subject to the guarantee withholding, will have the corresponding quotas for the management and disposal of panels deducted from their March and April 2024 payments.

Under the new provision introduced by Italian Law no. 11 of 2 February 2024, which converts the so-called “Energy Security Decree”, the share to be withheld by GSE has been doubled to EUR 20 per module, effective from September 2024.

## ABROAD

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

ERG is among the top ten wind power operators in Europe, with a significant and growing presence (1,491 MW in operation), particularly in France (587 MW, increased in 2024 with the acquisition of a 24 MW wind farm and the commissioning of two greenfield farms totalling 41 MW), Germany (327 MW), Poland (142 MW), the UK & Nordics (311 MW), Romania (70 MW) and Bulgaria (54 MW).

Additionally, ERG operates in the solar power sector in France and Spain, with a total installed capacity of 393 MW. This includes 128 MW in France, an increase compared to the same period in 2023 due to the acquisition of 49 MW, and 266 MW in Spain.

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

## France

Operating results	Year		
	2024	2023	Δ
Installed capacity (MW) <sup>(1)</sup>	715	600	114
Wind	587	522	65
Solar	128	79	49
Output (GWh)	1,210	1,315	(104)
Wind	1,084	1,219	(135)
Solar	126	96	30
Load factor % <sup>(2)</sup>			
Wind	21%	27%	-6%
Solar	12%	14%	-2%
Net unit revenue (EUR/MWh)	82	93	(12)
Wind	82	93	(11)
Solar	81	96	(15)

<sup>(1)</sup> capacity of plants in operation at the end of the year.

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

In 2024, electricity production in France amounted to 1,210 GWh, of which 1,084 GWh came from wind power and 126 GWh from solar plants. This represents a decrease compared to 2023 (1,315 GWh, with 1,219 GWh from wind power and 96 GWh from solar plants), due to lower wind conditions during the period compared to the exceptionally high production in 2023, partially offset by scope expansion (+125 GWh).

Economic results (EUR million)	Year		
	2024	2023	Δ
Adjusted revenue	100	124	(23)
Wind	90	115	(24)
Solar	10	9	1
Adjusted gross operating profit	51	81	(30)
Wind	47	75	(28)
Solar	4	6	(2)
Amortisation, depreciation and impairment losses	(46)	(40)	(6)
Wind	(40)	(35)	(5)
Solar	(6)	(4)	(2)
Adjusted operating profit	6	41	(36)
Wind	7	40	(33)
Solar	(2)	2	(3)
Capital expenditure in property, plant and equipment and intangible assets	142	25	117
Wind	113	25	87
Solar	29	0	29
EBITDA Margin % <sup>(1)</sup>	51%	65%	-14%
Wind	52%	66%	-13%
Solar	42%	64%	-22%

<sup>(1)</sup> ratio of adjusted EBITDA to revenue from sales and services.

Revenue recorded in 2024 amounted to EUR 100 million, down from EUR 124 million in 2023 due to lower captured prices and reduced volumes. This decline was partially offset by the scope expansion resulting from the acquisition completed at the beginning of 2024 and the greenfield parks that became operational in the third quarter of 2024.

Net unit revenue from wind power in France, equal to 82 EUR/MWh, was down compared to 2023 (93 EUR/MWh) due to the contraction in market prices, which had only a limited impact as most of the wind farms still benefit from the two-way incentive mechanism.

Net unit revenue from photovoltaic plants amounted to 81 EUR/MWh, down from 96 EUR/MWh in the previous year. This decrease is mainly due to the newly acquired parks selling primarily on the market while awaiting entry into the incentive tariff scheme.

The adjusted EBITDA in France in 2024 amounted to EUR 51 million, down compared to 2023 (EUR 81 million), for the same reasons linked to revenue.



**Depreciation and amortisation** for the period (EUR 46 million) was up compared to 2023 (EUR 40 million) due to the contribution of the wind farms acquired in 2024 (24 MW) and those developed internally (41 MW).

### Capital expenditure

Capital expenditure in France for **2024 (EUR 142 million)** mainly relates to the acquisition of wind and solar plants totalling 73 MW in January 2024 (EUR 84 million), as well as the development and construction of new wind farms (59 MW), of which 41 MW became operational in the third quarter of 2024, with the remaining capacity expected to come online in early 2025.

### Relevant legislative and regulatory updates during the year

See also the “Relevant regulatory and institutional updates” chapter.

- **Connection to the European PICASSO platform**

The connection of RTE to the PICASSO platform for aFRR regulation was initially scheduled for July 2024. However, due to the problems encountered and the necessary reforms, it has been postponed to the fourth quarter of 2024 “at the earliest” – but as yet this has not happened. This delay is due to the extreme prices regularly observed (up to +/- 15,000 EUR/MWh) and the suspension of TERNA's participation from 15 March 2024. CRE has conditioned RTE's connection to PICASSO on the implementation of European price mitigation measures by ACER (resolution of 29/02/2024).

## Germany – Wind

Operating results	Year		
	2024	2023	Δ
Installed capacity (MW) <sup>(1)</sup>	327	327	-
Output (GWh)	568	629	(62)
Load factor % <sup>(2)</sup>	20%	22%	-2%
Net unit revenue (EUR/MWh)	92	140	(48)

<sup>(1)</sup> capacity of plants in operation at the end of the year.

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

In **2024, electricity production** in Germany amounted to 568 GWh, down from 629 GWh in 2023 due to lower wind conditions recorded in the fourth quarter.

Economic results (EUR million)	Year		
	2024	2023	Δ
Adjusted revenue	55	89	(34)
Adjusted gross operating profit	34	68	(34)
Amortisation, depreciation and impairment losses	(21)	(20)	(1)
Adjusted operating profit	12	48	(35)
Capital expenditure in property, plant and equipment and intangible assets	9	3	7
EBITDA Margin % <sup>(1)</sup>	61%	76%	-15%

<sup>(1)</sup> ratio of adjusted EBITDA to revenue from sales and services.

**Revenue** recorded in **2024** amounted to EUR 55 million, a significant decrease compared to 2023 (EUR 89 million), mainly due to lower wind conditions during the period and the lower prices achieved, as the 2023 production reflected very high hedge prices.

Net unit revenue from wind power Germany, equal to 92 EUR/MWh, was therefore down compared to 2023 (140 EUR/MWh).

**Adjusted EBITDA** in Germany in **2024** amounted to EUR 34 million, down compared to 2023 (EUR 68 million).

### Capital expenditure

Capital expenditure in Germany for **2024 amounted to EUR 9 million**, mainly related to the repowering activities of a wind farm (6 MW), which is expected to be commissioned in the early months of 2025.

### Relevant legislative and regulatory updates during the year

See also the “Relevant regulatory and institutional updates” chapter.

- **Project for the Fair Distribution of Network Costs in the Transition to Renewable Energy**

renewables. The objective is to ensure a fair distribution of these charges among all electricity consumers.

The Federal Network The new framework introduces mechanisms to rebalance the costs of the electricity grid, currently unevenly distributed due to the expansion of Agency has adopted a gradual approach. In a first phase, it is determined whether a network operator is disproportionately affected by the costs deriving from the integration of renewables, by comparing the installed capacity with the consumption load in the network area. Subsequently, operators that incur high costs will receive financial support to offset these costs, favouring regions with a strong renewable infrastructure, such as those with high wind production in the north or large photovoltaic plants in rural areas.

The compensation funding will be carried out through a national surcharge applied to all consumers. Currently, areas with high renewable energy production face higher grid costs, which is a factor that represents an obstacle to public acceptance of the energy transition.

## UK & Nordics – Wind

Operating results	Year		
	2024	2023	Δ
Installed capacity (MW) <sup>(1)</sup>	311	311	-
Output (GWh)	588	455	133
Load factor % <sup>(2)</sup>	22%	18%	4%
Net unit revenue (EUR/MWh)	60	77	(17)

<sup>(1)</sup> capacity of plants in operation at the end of the year.

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

In **2024**, **electricity output** in the UK and Sweden amounted to 588 GWh, up from 2023 (455 GWh), mainly due to the contribution of assets that were in the commissioning or ramp-up phase of generation during 2023 and the increased wind speeds during the period.

Economic results (EUR million)	Year		
	2024	2023	Δ
Adjusted revenue	54	54	(1)
Adjusted gross operating profit	30	38	(8)
Amortisation, depreciation and impairment losses	(17)	(13)	(4)
Adjusted operating profit	13	25	(12)
Capital expenditure in property, plant and equipment and intangible assets	26	45	(19)
EBITDA Margin % <sup>(1)</sup>	56%	71%	-14%

<sup>(1)</sup> ratio of adjusted EBITDA to revenue from sales and services.

**Revenue** recorded in **2024** amounted to EUR 54 million, in line with 2023 (EUR 54 million), mainly due to higher production levels offset by lower captured prices.

Net unit revenue amounted to 60 EUR/MWh, down compared to 2023 (77 EUR/MWh) due to lower sale prices.

**Adjusted EBITDA** in the UK & Nordics area for **2024** amounted to EUR 30 million, a decrease compared to 2023 (EUR 38 million), due to lower revenue from participation in the balancing market and increased costs related to property tax following the removal of the “exemption” on UK wind farms.

Depreciation and amortisation for the period (EUR 17 million) increased compared to 2023 (EUR 13 million) due to the full contribution of the wind farms in the UK & Nordics that became operational during 2023.

### Capital expenditure

Capital expenditure in the UK & Nordics area for **2024 (EUR 26 million)** relate to the construction of a new 47 MW wind farm in Northern Ireland, expected to be operational by the end of 2025.

## Relevant legislative and regulatory updates during the year

See also the “Relevant regulatory and institutional updates” chapter.

- **Ancillary services market**

On 8 February, the British regulatory authority Ofgem approved the final project for the Balancing Reserve service presented by the National Grid Electricity Systems Operator (ESO) in December 2023.

Renewable energies, such as onshore wind, can participate in the service by providing positive or negative balancing reserves, with a predictable preference for wind farms in the “downward” service. The approved project makes the Balancing Reserve more accessible to battery storage assets and flexible distributed energy resources.

The service went live on 12 March 2024.

In March, ESO outlined a new design starting in 2024/25 for some of the grid frequency regulation services. These include the Positive and Negative Quick Reserve, for which ESO announced the go-live in June. The first daily auction is expected by November 2024 and will be accessible to renewable energy plants already participating in the balancing market (Balancing Mechanism Units).

- **TNUoS update**

The UK energy regulator, Ofgem, has published updates on reforms to the Transmission Network Use of System (TNUoS) charges. The TNUoS charges are designed to recover the costs of installation and maintenance of the transmission system in England, Wales, Scotland and offshore. These charges apply to generators and suppliers connected to the transmission network for the use of transmission networks.

According to Ofgem, feedback from stakeholders has confirmed the need for reform of transmission charges.

- **Beyond 2030 Plan and Future System Operator**

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

The plan includes a “high-capacity electricity backbone” running from north-east Scotland to north-east England, with the aim of alleviating congestion at the Scotland-England border. The UK energy regulator, Ofgem, has given provisional approval for the necessary expenditures for the HVDC submarine highway, Eastern Green Link 2 (EGL2), which is expected to be operational by 2029. This is a transitional plan ahead of the development of the Centralised Strategic Network Plan, which will be published in 2026 by the new organisation, the National Energy System Operator (NESO), which will replace ESO from summer 2024 in its role as Independent System Operator and Planner (ISOP).

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

- **Dispatch Down Draft Action Plan - Northern Ireland**

The plan outlines a series of recommendations and actions aimed at reducing the high level of renewable generation curtailment currently affecting Northern Ireland. SONI will model the proposed measures in early 2025 to assess their impact on reducing existing constraints.

In the short term (6-12 months), the operational plan includes immediate actions to promote greater integration of renewables and achieve quick benefits. Key actions include implementing a temporary solution for downward regulation, with an initial evaluation expected by the second quarter of 2025, and reviewing operational safety standards, with a final proposal due in February and implementation starting in the spring. Also planned are the reduction of the number of production units required to remain operational, with an operational trial in the summer of 2025 and regulatory updates by year-end, as well as an independent review of minimum generation levels, with a fleet analysis by AFRY in the first quarter of 2025 and the implementation of technical solutions by the summer of 2026.

SONI has also identified higher-impact measures that require the involvement of other parties, including network reinforcement, updates to procurement mechanisms, and the adoption of advanced flexibility services.

## Spain – Solar

Operating results	Year		
	2024	2023	Δ
Installed capacity (MW) <sup>(1)</sup>	266	266	0
Output (GWh)	479	213	266
Load factor % <sup>(2)</sup>	21%	22%	-1%
Net unit revenue (EUR/MWh)	47	123	(75)

<sup>(1)</sup> capacity of plants in operation at the end of the year.

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

In **2024**, electricity production in Spain amounted to 479 GWh, up compared to 2023 (213 GWh) mainly due to the scope effect deriving from the wind farms acquired and entered into operation in the second half of 2023 (+266 GWh).

Economic results (EUR million)	Year		
	2024	2023	Δ
Adjusted revenue	24	27	(2)
Adjusted gross operating profit	15	20	(6)
Amortisation, depreciation and impairment losses	(12)	(6)	(6)
Adjusted operating profit	3	15	(12)
Capital expenditure in property, plant and equipment and intangible assets	0	190	(190)
EBITDA Margin % <sup>(1)</sup>	60%	76%	-16%

<sup>(1)</sup> ratio of adjusted EBITDA to revenue from sales and services.

**Revenue** recorded in **2024** amounted to EUR 24 million, down from the previous year (EUR 27 million) due to lower market prices, which were particularly penalised during daylight hours compared to 2023, which had benefited from high hedging prices. As a result, net unit revenue amounted to 47 EUR/MWh, down compared to the previous year (123 EUR/MWh).

This effect was only partially offset by the full contribution of the photovoltaic farms acquired in 2023.

**Adjusted EBITDA** in Spain in **2024** amounted to EUR 15 million, down compared to 2023 (EUR 20 million).

Depreciation and amortisation for the period (EUR 12 million) increased compared to 2023 (EUR 6 million) due to the full contribution of the photovoltaic systems acquired during 2023 (174 MW) and entered into operation during the second half of 2023.

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

Operating results	Year		
	2024	2023	Δ
Installed capacity (MW) <sup>(1)</sup>	266	266	-
Output (GWh)	710	742	(32)
Load factor % <sup>(2)</sup>	30%	32%	-1%
Net unit revenue (EUR/MWh)	87	91	(4)

<sup>(1)</sup> capacity of plants in operation at the end of the year.

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

In **2024**, electricity production in East Europe amounted to 710 GWh, down from 742 GWh in 2023 due to lower wind conditions recorded.

Economic results	Year		
	2024	2023	Δ
<i>(EUR million)</i>			
Adjusted revenue	68	73	(5)
Adjusted gross operating profit	54	49	5
Amortisation, depreciation and impairment losses	(19)	(18)	(1)
Adjusted operating profit	35	31	5
Capital expenditure in property, plant and equipment and intangible assets	0	2	(2)
EBITDA Margin % <sup>(1)</sup>	80%	67%	13%

<sup>(1)</sup> ratio of adjusted EBITDA to revenue from sales and services.

**Revenue** recorded in **2024** amounted to EUR 68 million, showing a decrease compared to 2023 (EUR 73 million), mainly due to lower production levels and a reduction in electricity sale prices.

Average net unit revenue in East Europe amounted to 87 EUR/MWh, down from 2023 (91 EUR/MWh).

It should be noted that from April 2024, the measures introduced by the Romanian government to combat high energy prices (windfall tax) require the Group's plants to sell through PPAs at 400 lei/MWh, which is approximately 80 EUR/MWh (450 lei/MWh in 2023 and until 31 March 2024, equivalent to approximately 90 EUR/MWh).

**Adjusted EBITDA** in East Europe for **2024** is EUR 54 million, an increase compared to 2023 (EUR 49 million). The result also reflects the partial release of provisions (for approximately EUR 9 million, of which EUR 6 million in Romania related to Green Certificates and EUR 3 million in Poland related to clawback measures) due to the reduction of the risks that originally led to their allocation.

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

See also the “Relevant regulatory and institutional updates” chapter.

#### Poland

- **Modification of the total electricity quota derived from certificates of origin**

The new regulation, effective from 31 August 2024, and applicable for 2025, establishes the quotas for renewable electricity recognised through certificates of origin. The Ministry of Climate has decided to define the level only for 2025, instead of the originally proposed three-year period. The quota set by Article 59 of the Renewable Energy Sources Act of 20 February 2015, is set at 8.5% for point 1 and 0.5% for point 2.

#### Romania

- **Mandatory quotas and value of Green Certificates 2024**

At the end of 2023, the ANRE Ordinance no. 107/2023 was published in the Official Gazette, which establishes, among other things, the estimated mandatory quota for the purchase of green certificates for the year 2024.

- 0.4944765 green certificates/MWh, according to the table.

Indicators	U.M.	Value
Estimated average impact of green certificates in 2024	Euro / MWh	14,5
Average rate of the National Bank of Romania – 11 months 2023	Lei / Euro	4,9443
Estimated final electricity consumption for the year 2024	MWh	45.715.703,641

OPCOM later published the new price limits for the trading of green certificates:

- Minimum price: 145.4271 lei/GC (29.4 EUR/GC), previously 144.9861 lei/GC
- Maximum price: 173.1275 lei/GC (35 EUR/GC).

#### Bulgaria

- **Definition of the value of incentives for the regulatory period 1 July 2024 – 30 June 2025**

The incentive component is calculated as the difference between the reference tariff for the individual plant and the estimate of the adjusted baseload market price (Forecasted Market Price for Wind Producers – FMP) on the national wind profile. For the regulatory period from 1 July 2024 to 30 June 2025, the Bulgarian national authority has estimated a market price value (FMP) for wind energy of 166.71 BGN/MWh.

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

## United States – Wind and Solar

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

Operating results	Year		
	2024	2023	Δ
<b>Installed capacity (MW) <sup>(1)</sup></b>	<b>317</b>	-	<b>317</b>
<i>Wind</i>	224	-	224
<i>Solar</i>	92	-	92
<b>Output (GWh)</b>	<b>684</b>	-	<b>684</b>
<i>Wind</i>	563	-	563
<i>Solar</i>	121	-	121
<b>Load factor % <sup>(2)</sup></b>			
<i>Wind</i>	29%	-	29%
<i>Solar</i>	15%	-	15%
<b>Net unit revenue (EUR/MWh)</b>	<b>26</b>	-	<b>26</b>
<i>Wind</i>	22	-	22
<i>Solar</i>	47	-	47
<b>Net unit revenue including PTC (EUR/MWh)</b>	<b>51</b>	-	<b>51</b>
<i>Wind</i>	52	-	52
<i>Solar</i>	47	-	47

<sup>(1)</sup> capacity of plants in operation at the end of the year.

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

As of 1 April 2024, **energy output** in the US is 684 GWh (of which 563 GWh from wind and 121 GWh from solar).

**Net unit revenue** from wind power amounted to 22 EUR/MWh (52 EUR/MWh including PTCs), and those from solar power to 47 EUR/MWh, and reflected the prices of PPAs contracted with leading corporate counterparties.

Economic results	Year		
	2024	2023	Δ
<i>(EUR million)</i>			
<b>Adjusted revenue</b>	<b>18</b>	-	<b>18</b>
<i>Wind</i>	12	-	12
<i>Solar</i>	6	-	6
<b>Adjusted gross operating profit</b>	<b>32</b>	-	<b>32</b>
<i>Wind</i>	27	-	27
<i>Solar</i>	5	-	5
<b>Amortisation, depreciation and impairment losses</b>	<b>(18)</b>	-	<b>(18)</b>
<i>Wind</i>	(16)	-	(16)
<i>Solar</i>	(3)	-	(3)
<b>Adjusted operating profit</b>	<b>14</b>	-	<b>14</b>
<i>Wind</i>	12	-	12
<i>Solar</i>	2	-	2
<b>Capital expenditure in property, plant and equipment and intangible assets</b>	<b>236</b>	-	<b>236</b>
<i>Wind</i>	182	-	182
<i>Solar</i>	54	-	54
<b>Adjusted revenue and Other income (PTCs)</b>	<b>36</b>	-	<b>36</b>
<i>Wind</i>	31	-	31
<i>Solar</i>	6	-	6

Energy sales **revenue** recorded from the date of consolidation amounted to EUR 18 million.

**Revenue and other income (PTCs)** totalled EUR 36 million and includes, in addition to the aforementioned revenue, approximately EUR 19 million relating to the non-monetary income of the Production Tax Credit recognised under “Other income” and calculated on the basis of energy production recorded in the period from the wind farm.

**Adjusted EBITDA** in the United States for **2024** totalled EUR 32 million and was influenced by the price of PPAs and the aforementioned income.

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

See also the “Relevant regulatory and institutional updates” chapter.

#### **USA**

- **ORDER NO. 1920 ON TRANSMISSION PLANNING**

The Federal Energy Regulatory Commission (FERC) has introduced a new standard to ensure that the transmission grid can meet the growing demand for electricity. Order no. 1920 is the first time in over a decade that the FERC has addressed regional transmission policy and the first time the Commission has explicitly focused on the need for long-term transmission planning.

The new standard adopts specific requirements for transmission providers to conduct long-term planning for regional transmission infrastructure and determine how to finance them.

- **New method of accreditation for capacity**

The FERC (Federal Energy Regulatory Commission) has authorised MISO to adopt a new capacity accreditation method starting in 2028, based on a DLOL (Direct Loss of Load) approach. This method combines the probabilistic availability of resources with their historical performance during periods of higher risk to the system. The goal is to implement a uniform and non-discriminatory approach for all technologies, incentivising resources to improve their performance during peak demand times. This methodology will reduce the derating factor especially for photovoltaic technology.



## Financial statements and Other Information

### Income Statement

This section shows the reported operating results and adjusted operating results, shown with the exclusion of special items. It is specified that from 2024, the adjusted financial results include the accounting impacts of IFRS 16; therefore, the comparative results for 2023 are restated in accordance with the new approach defined by the Group.

It should also be noted that:

- the companies acquired in France, owners of wind farms and photovoltaic systems for a total of 73.2 MW, are consolidated on a line-by-line basis starting from 1 January 2024.
- the US companies, owners of wind farms and photovoltaic systems for a total of 317 MW, were consolidated on a line-by-line basis starting from 1 April 2024;

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

(EUR million)	Reported Year			Adjusted Year		
	2024	2023	Δ	2024	2023	Δ
<b>Profit &amp; Loss</b>						
Revenues	1	738	741 (3)	738	741 (3)	
Other incomes	2	55	26 29	51	26 25	
<b>Total Revenues</b>		<b>793</b>	<b>767 26</b>	<b>789</b>	<b>767 22</b>	
Purchases and changes in inventories	3	(10)	(14) 4	(10)	(14) 4	
Services and other operating costs	4	(195)	(171) (24)	(186)	(166) (21)	
Personnel expenses		(58)	(53) (5)	(58)	(53) (5)	
<b>Gross Operating profit (loss) (EBITDA)</b>		<b>531</b>	<b>529 1</b>	<b>535</b>	<b>534 1</b>	
Amortisation, depreciation and impairment of non-current assets	5	(278)	(225) (53)	(263)	(223) (41)	
<b>Operating profit (loss) (EBIT)</b>		<b>253</b>	<b>304 (52)</b>	<b>271</b>	<b>312 (40)</b>	
Net financial incomes (expenses)	6	(27)	(19) (8)	(27)	(14) (14)	
Net gains (losses) on equity investments		(2)	5 (7)	(0)	0 (0)	
<b>Profit before taxes</b>		<b>223</b>	<b>290 (67)</b>	<b>244</b>	<b>298 (54)</b>	
Income taxes	7	(34)	(74) 40	(66)	(71) 4	
<b>Net profit (loss) from continuing operations</b>		<b>190</b>	<b>216 (26)</b>	<b>178</b>	<b>227 (50)</b>	
Non-controlling interests		0	(36) 36	(3)	(2) (1)	
<b>Profit (loss) from continuing operations attributable to owners of the parent</b>		<b>187</b>	<b>214 (27)</b>	<b>175</b>	<b>226 (50)</b>	
Net profit (loss) from discontinued operations	8	0	(36) 36	0	(7) 7	
<b>Profit attributable to owners of the parent</b>		<b>187</b>	<b>179 8</b>	<b>175</b>	<b>219 (44)</b>	

#### 1 – Revenue

Revenue from sales consists mainly of:

- sales of electricity produced by wind farms, solar installations. The electricity is sold on wholesale channels, and to customers via bilateral agreements. Specifically, electricity sold wholesale includes sales on the IPEX electricity exchange, both on the “day-ahead market” (MGP) and on the “intraday market” (MI), in addition to sales to the main operators of the sector on the “over the counter” (OTC) platform and Power Purchase Agreements (PPAs), long-term energy sale contracts at pre-established prices, currently active in the wind sector in Italy, France, the United Kingdom, Spain and the United States;
- incentives related to the output of wind farms and solar installations in operation.

**Reported revenue for 2024** amounted to EUR 738 million, a slight decrease compared to 2023 (EUR 741 million), primarily due to significantly lower wind conditions compared to 2023 and lower selling prices, partly offset by the contribution from new capacity in operation. The weaker market scenario only partially affected the results as the Group adopts a hedging policy that provides for sales through fixed tariffs, PPAs under pre-established price conditions and financial agreements.

It should be noted that revenue in 2023 included the effects related to the **regulatory interventions on the containment of energy price increases (clawback measure and windfall tax)**, which had led to refunds in 2023 amounting to EUR 12 million, while there is no significant impact in 2024 (EUR 2 million) in view of the market scenario.

## 2 – Other income

This includes insurance reimbursements, indemnities, expense recoveries and the partial release of risk provisions. From the second quarter of 2024 onwards, the item also includes income from PTC (Production Tax Credits), an incentive instrument typical of the US renewables market, under the Tax Equity Partnership agreements, amounting to EUR 18.5 million for the year.

The adjusted values do not include the capital gain realised from the sale of artworks to an affiliated party of ERG S.p.A. at market values, recorded as part of the fixed assets of the holding company ERG S.p.A., amounting to EUR 4 million.

## 3 – Purchases and changes in inventories

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

## 4 – Services and other operating costs

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

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

The adjusted values for 2024 do not include:

- the ancillary costs relating to non-recurring transactions equal to EUR 7.5 million;
- allocations to the Provision for disposed businesses of EUR 1 million.

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

Adjusted amortisation and depreciation (EUR 263 million) refers to wind and solar plants, showing an increase compared to 2023 (EUR 223 million), reflecting the full contribution of newly acquired assets during the period (EUR 26 million, of which EUR 2 million comes from the application of IFRS 16 on new assets) and internally developed assets (EUR 14 million).

The item includes IFRS 16 amortisation and depreciation of EUR 10 million in 2024 (EUR 7.4 million in 2023).

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

- the impairment related to the Revamping projects of the Italy Solar portfolio amounting to EUR 10 million;
- the impairment of the net residual value of the property, plant and equipment and intangible assets of a wind farm in the France portfolio, following the authorisation of a Repowering project obtained during the year, amounting to approximately EUR 2.5 million;
- the reduction in the value of the non-current asset (EUR 1 million) of the park in Sweden, considering the positive price adjustment defined with the counterparty in September.

## 6 – Net financial income (expense)

Reported net financial expense for 2024 amounted to EUR 27 million, an increase compared to EUR 19 million in 2023<sup>1</sup>, primarily due to the effect of accounting for the Tax Equity Partnership in the USA portfolio (EUR 8 million), the scope effect arising from the application of IFRS 16 on acquisitions during the period and on new parks developed internally, as well as the progressive normalisation of interest rates compared to levels significantly below the historical average. The contribution of the latter effect was mitigated both by pre-hedge transactions concluded under very favourable conditions, and – particularly with regard to the bond issued in June in anticipation of the April 2025 maturity – by the temporary use of the related liquidity.

**Adjusted net financial expense** in 2024 amounted to EUR 27 million, up compared to 2023 (EUR 14 million), for the same reasons commented on above.

The item includes financial expense related to the application of IFRS 16 (EUR 10.6 million in 2024 compared to EUR 7.2 million in 2023) and the effects of derivative instruments hedging interest rate fluctuation risk.

The average cost of non-current liabilities in 2024 stood at 1.6% compared to 1.3% in 2023.

<sup>1</sup> It should be noted that in 2023 the reported net financial expense included the financial expense related to the early closure of two project financings.

## 7 – Income taxes

**Reported income taxes** amounted to EUR 34 million, down significantly from EUR 74 million in 2023, mainly as a result of the benefit arising from the redemption of goodwill as part of merger transactions.<sup>2</sup> (EUR 28 million), only partially offset as a result of the ACE.<sup>3</sup> (Aid for Economic Growth) tax benefit ceasing to apply in Italy from 2024.

**Adjusted income taxes** totalled EUR 66 million, down compared to EUR 71 million in 2023, mainly due to the operating results commented on. It should be noted that the adjusted values do not include the benefit deriving from the redemption of goodwill as part of merger transactions (EUR 28 million).

The adjusted tax rate, obtained from the ratio between income taxes and pre-tax profit, amounted to 27% (24% in 2023).

## 8 – Profit (loss) from discontinued operations

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

## Statement of Financial Position

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

Reclassified Statement of Financial Position	31/12/2024	31/12/2023
<i>(EUR million)</i>		
Non-current assets	1 4,841	4,023
Net operating working capital	2 34	56
Employee benefits	(3)	(4)
Other assets	3 246	241
Other liabilities	4 (873)	(560)
<b>Net invested capital</b>	<b>4,246</b>	<b>3,757</b>
Equity attributable to owners of the parent	2,147	2,133
Non-controlling interests	5 76	7
<b>Net financial indebtedness before IFRS 16</b>	<b>6 1,793</b>	<b>1,445</b>
<i>Lease liabilities</i>	6 229	172
<b>Net financial indebtedness after IFRS 16</b>	<b>6 2,023</b>	<b>1,617</b>
<b>Equity and financial indebtedness</b>	<b>4,246</b>	<b>3,757</b>

### 1 - Non-current assets

<i>(EUR million)</i>	Intangible assets	Property, plant and equipment	Financial assets	Total
<b>Non-current assets at 31/12/2023</b>	<b>1,403</b>	<b>2,569</b>	<b>51</b>	<b>4,023</b>
Capital expenditure	6	228	0	234
Change in consolidation scope	250	545	0	796
Other changes and divestments	1	45	(1)	44
Amortisation and depreciation	(80)	(197)	0	(277)
Right-of-use assets	-	22	-	22
<b>Non-current assets at 31/12/2024</b>	<b>1,580</b>	<b>3,212</b>	<b>49</b>	<b>4,841</b>

The line **Capital Expenditure** refers to Repowering activities on Italian wind farms for approximately 177 MW of new wind power capacity that became operational during 2024, the construction of Greenfield wind farms in Italy (47 MW), France (59 MW) and the UK (47 MW), and the start of operations of the first Storage project (13 MW).

<sup>2</sup> From art. 15. D.L. no. 185/2008

<sup>3</sup> Aid to Economic Growth (ACE), repealed by Article 5 of Italian Legislative Decree no. 216 of 30 December 2023.

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

## 2 – Net operating working capital

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

## 3 – Other assets

These mainly comprise deferred tax assets, the positive fair value of electricity hedging derivatives due to commodity price movements, receivables from Tax Authorities for tax advances and advance payments made against current provision of services.

## 4 – Other liabilities

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

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

## 5 – Non-controlling interests

Non-controlling interests relate to the non-100% equity investment (75%) in the US-based entity, into which the wind and solar portfolio acquired in 2024 was transferred, to the non-100% equity investment (59%) in two solar companies in France<sup>4</sup> and to the non-100% equity investment (78.5%) in Andromeda PV S.r.l.

## 6 – Net financial indebtedness

It should be noted that for greater clarity, the net financial indebtedness is indicated in the dual measure “before IFRS 16”, excluding the liabilities linked to the application of IFRS 16, and “after IFRS 16”, including the aforementioned liabilities.

Lease liabilities at 31 December 2024 amounted to EUR 229 million (EUR 172 million at 31 December 2023). The increase in the period is primarily due to the change in consolidation scope following the acquisitions completed in the United States and France during the first half of 2024 and the entry into operation of the new wind farms developed internally.

Summary of the Group's indebtedness (EUR million)	31/12/2024	31/12/2023
Non-current financial indebtedness	2,129	1,999
Current financial indebtedness (cash and cash equivalents)	(335)	(554)
<b>Net financial indebtedness before IFRS 16</b>	<b>1,793</b>	<b>1,445</b>
Lease liabilities	229	172
<b>Net financial indebtedness after IFRS 16</b>	<b>2,023</b>	<b>1,617</b>

<sup>4</sup> companies acquired in January 2024.

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

<b>Non-current financial indebtedness</b>	<b>31/12/2024</b>	<b>31/12/2023</b>
<i>(EUR million)</i>		
Non-current loans and borrowings	419	329
Non-current financial liabilities	1,597	1,606
<b>Total</b>	<b>2,016</b>	<b>1,935</b>
Total Project Financing	144	98
Current portion of Project Financing	(18)	(17)
<b>Non-current Project Financing</b>	<b>125</b>	<b>81</b>
<b>Non-current financial assets</b>	<b>(12)</b>	<b>(17)</b>
<b>Total non-current financial indebtedness before IFRS 16</b>	<b>2,129</b>	<b>1,999</b>
<b>Lease liabilities</b>	<b>223</b>	<b>166</b>
<b>Total non-current financial indebtedness after IFRS 16</b>	<b>2,351</b>	<b>2,165</b>

**Non-current loans and borrowings** at 31 December 2024 totalled EUR 419 million and refer to four Sustainable bilateral linked loans, of which one subscribed in the first quarter of 2024 for a nominal amount of EUR 90 million. The loans shown above are recognised net of medium/long-term ancillary charges recognised using the amortised cost method (EUR 1 million).

**Medium/long-term financial payables** of EUR 1,597 million mainly refer to the liability arising from the placement of three bonds issued as part of the Euro Medium Term Notes (EMTN) Programme, relating to:

- EUR 500 million nominal<sup>5</sup> (6-year fixed-rate term);
- EUR 600 million nominal (7-year fixed-rate term);
- EUR 500 million nominal (10-year fixed-rate term).

These liabilities are recognised net of medium/long-term ancillary charges recognised for accounting purposes using the amortised cost method (EUR 9 million).

The bond issued in 2019 (with a nominal value of EUR 500 million) has been reclassified as short-term debt as it is scheduled to be repaid in April 2025.

The item also includes liabilities relating to deferred components of considerations for the purchase of assets and authorisations (EUR 2 million).

The liabilities for **Project Financing** totalling EUR 144 million<sup>6</sup> at 31 December 2024 relate to:

- EUR 64 million in loans relating to the company Andromeda S.r.l., owner of two photovoltaic systems in Central Italy;
- EUR 17 million in loans issued for the construction of a wind farm in Germany;
- EUR 63 million in loans disbursed for the construction of wind farms and photovoltaic systems in France, as part of the acquisition in January 2024.

**Non-current financial assets** of EUR 12 million refer to the long-term portion of assets arising from the fair value measurement of interest rate hedging derivatives.

<sup>5</sup> Issued in July 2024

<sup>6</sup> These liabilities are recognised net of medium/long-term ancillary charges recognised for accounting purposes using the amortised cost method.

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

<b>Current financial indebtedness (cash and cash equivalents)</b>	<b>31/12/2024</b>	<b>31/12/2023</b>
<i>(EUR million)</i>		
Current bank loans and borrowings	179	132
Current portion of non-current financial liabilities	498	0
Other current financial liabilities	30	37
<b>Current financial liabilities</b>	<b>707</b>	<b>169</b>
Cash and cash equivalents	(591)	(459)
Securities and other current financial assets	(460)	(272)
<b>Current financial assets</b>	<b>(1,051)</b>	<b>(731)</b>
Current Project Financing	18	17
Cash and cash equivalents	(10)	(9)
<b>Project Financing</b>	<b>9</b>	<b>8</b>
<b>Total current net financial indebtedness before IFRS 16</b>	<b>(335)</b>	<b>(554)</b>
<b>Lease liabilities</b>	<b>7</b>	<b>6</b>
<b>Total non-current financial indebtedness after IFRS 16</b>	<b>(329)</b>	<b>(548)</b>

**Current bank loans and borrowings** include positions related to short-term credit lines. As noted above, the current portion of non-current financial liabilities includes a bond (equal to EUR 500 million) restated under current financial indebtedness as it is expected to be repaid within the next twelve months.

**Other current financial liabilities** mainly comprise accrued interest expenses on Bonds and Corporate Loans (EUR 26 million) and a liability related to deferred components of purchase consideration for assets and authorisations (EUR 2.6 million).

**Securities and other current financial receivables** primarily include short-term cash investments of EUR 435 million, accrued interest receivables of EUR 14 million, and the short-term portion of assets resulting from the fair value assessment of interest rate hedging derivatives amounting to EUR 7 million.

## Cash flows

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

(EUR million)	Year	
	2024	2023
Adjusted gross operating profit	535	534
Change in net working capital	(50)	(33)
<b>Cash flows from operations</b>	<b>485</b>	<b>501</b>
Capital expenditure in property, plant and equipment and intangible assets	(234)	(305)
Asset acquisitions and business combinations	(319)	(184)
Capital expenditure on non-current financial assets	1	6
Other changes and divestments	(11)	(1)
<b>Cash flows from investments/divestments</b>	<b>(563)</b>	<b>(478)</b>
Financial income (expense)	(19)	(6)
Financial expense for closing loans	-	(5)
Net gains (losses) on equity investments	(0)	0
Collection distribution reserves ERG Power <sup>(1)</sup>	-	88
<b>Cash flows from financing activities</b>	<b>(19)</b>	<b>77</b>
<b>Cash flows from tax management</b>	<b>(39)</b>	<b>(26)</b>
Distribution of dividends	(152)	(154)
Share buy-back programme	(47)	(61)
Other changes in equity	(13)	131
<b>Cash flows from Equity</b>	<b>(212)</b>	<b>(85)</b>
<b>Change in the consolidation scope</b>	<b>-</b>	<b>74</b>
<b>Cash Flow Thermo</b>	<b>-</b>	<b>24</b>
<b>Opening net financial indebtedness of "Continuing operations"</b>	<b>1,445</b>	<b>1,533</b>
<i>Net change</i>	<i>348</i>	<i>(87)</i>
<b>Total net financial indebtedness before IFRS 16</b>	<b>1,793</b>	<b>1,445</b>
<i>Lease liabilities</i>	<i>229</i>	<i>172</i>
<b>Net financial indebtedness after IFRS 16</b>	<b>2,023</b>	<b>1,617</b>

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

- **Cash flows from operations** for 2024 were positive at EUR 485 million, down from 2023 (EUR 501 million) mainly due to the changes in working capital.
- **Cash flows from investments** for 2024 refers to the impacts related to the acquisition of a portfolio of wind and solar farms in the United States (317 MW)<sup>7</sup>, the acquisition of wind and solar farms in France (73 MW), the repowering of Italian wind farms with approximately 177 MW of new installed capacity commissioned during 2024, the construction of greenfield farms in Italy (47 MW), France (59 MW) and the UK (47 MW), the repowering of a farm in Germany (6 MW), and the launch of activities for the first storage project (13 MW).
- **Cash flows from financing activities** refer to the interest accrued during the period.
- **Cash flows from tax management** refer to the payment of direct taxes.
- **Cash flows from Equity** refer to dividends distributed to shareholders (EUR 152 million), the total impact of the two share buy-back programmes (EUR 47 million), changes in the cash flow hedge reserve related to derivative financial instruments, and the foreign exchange translation reserve.

The change in **Lease Liabilities** is mainly attributable to the change in the scope of consolidation for the acquisitions in the United States and France, which took place in 2024, and to the commissioning of the new wind farms developed internally.

<sup>7</sup> The acquisition was finalised in April 2024.



## ALTERNATIVE PERFORMANCE INDICATORS

### Definitions

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

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

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

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

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

Definitions of the APIs used by the Group and a reconciliation with the items of the Financial Statements templates adopted are as follows.

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

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

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

**Adjusted EBIT** is the net operating profit, explicitly indicated as a subtotal in the financial statements, with the exclusion of significant special income statement components of an exceptional nature (special items).

**EBITDA margin** is an indicator of the operating

performance calculated by comparing the adjusted EBITDA to the Revenue from sales and services of each individual business segment.

The **adjusted tax rate** is calculated by comparing the adjusted amounts of taxes and profit before taxes.

**Profit (loss) from continuing operations** does not include the result from discontinued operations relating to the thermoelectric business reclassified under the item "Profit (loss) from discontinued operations".

**Adjusted Profit (loss) from continuing operations** is the profit (loss) from continuing operations, with the exclusion of significant income statement components of an exceptional nature (special items), net of the related tax effects.

**Adjusted profit (loss) attributable to owners of the parent** is the adjusted profit (loss) from continuing operations with the exclusion of the profit attributable to non-controlling interests.

**Capital expenditure** is the sum of capital expenditure in property, plant and equipment and intangible assets, with the inclusion of Mergers & Acquisitions and not including Right of Use assets.

**Net operating working capital** is the sum of Inventories, Trade receivables and Trade payables.

**Net invested capital** is the sum of Non-current assets, Net operating working capital, Liabilities related to Post-employment benefits, Other assets and Other liabilities.

**Net financial indebtedness** is an indicator of the financial structure and is determined in accordance with ESMA Guidelines 32-382-1138 (Guidelines on Prospectus disclosures) and CONSOB Warning Notice no. 5/2021, also including the portion of non-current assets relative to derivative financial instruments.

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

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

**Financial leverage** is calculated by comparing the net financial indebtedness before IFRS 16 to the net invested capital, not including Right of Use assets.

**Special items** include significant special income components of an exceptional nature. These include:

- income and expense connected to events whose occurrence is non-recurring, i.e. those transactions or events that do not frequently re-occur over the normal course of business;
- income and expense related to events that are not typical of normal business activities, such as restructuring and environmental costs;
- capital gains and losses linked to the disposal of assets;
- significant impairment losses recognised on assets following impairment tests;
- income and the associated reversals recognised in application of IFRS 9, in relation to the restructuring of loans in place.

#### **IFRS 16**

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

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

## Reconciliation with adjusted operating results

EBITDA (amounts in millions)	Notes	Year	
		2024	2023
<b>Gross operating profit (EBITDA)</b>		<b>531</b>	<b>529</b>
<i>Special items exclusion:</i>			
Ancillary charges on extraordinary operations	1	8	4
Capital gains on the sale of works of art	2	(4)	-
Allocation Provision Disposed Businesses	3	1	1
<b>Adjusted gross operating profit</b>		<b>535</b>	<b>534</b>
<b>AMORTISATION, DEPRECIATION AND IMPAIRMENT LOSSES</b> (amounts in millions)		<b>Year</b>	<b>2023</b>
		<b>2024</b>	
<b>Amortisation, depreciation and impairment losses</b>		<b>(278)</b>	<b>(225)</b>
<i>Special items exclusion:</i>			
Impairment Repowering Wind Italy	4	10	2
Impairment Repowering Wind France	4	3	-
Impairment Repowering Wind Germany	4	1	-
Impairment Wind farm asset Sweden		1	-
<b>Adjusted depreciation and amortisation</b>		<b>(263)</b>	<b>(223)</b>
<b>PROFIT (LOSS) ATTRIBUTABLE TO OWNERS OF THE PARENT</b> (amounts in millions)		<b>Year</b>	<b>2023</b>
		<b>2024</b>	
<b>Profit (loss) from continuing operations attributable to owners of the parent</b>		<b>187</b>	<b>214</b>
<i>Special items exclusion:</i>			
Exclusion of the sale of works of art	2	(3)	
Exclusion of ancillary charges on non-recurring transactions	1	7	3
Exclusion of expenses related to disposed Businesses	3	3	(4)
Exclusion of impairment losses recognised on Repowering Wind Italy	4	10	2
Exclusion of ancillary charges on loan prepayments	5	-	4
Exclusion of Tax Asset UK and substitute tax Wind & Solar Italy	6	(28)	6
Exclusion of impact of gains/losses (IFRS 9)	7	-	1
<b>Adjusted profit (loss) from continuing operations attributable to owners of the parent</b>		<b>175</b>	<b>226</b>

- Ancillary charges relating to other non-recurring transactions, as well as unsuccessful acquisitions.
- Capital gain realised from the sale of artworks to an ERG S.p.A. related party at market values, recorded under the non-current assets of the ERG S.p.A. holding company.
- Provisions relating to exceptional items on businesses disposed of by the Group.
- Impairments related to investments and Revamping and Repowering projects aimed at certain parks in the Solar Italy and Wind France portfolio.
- Financial expense related to the early closure of project financing and Corporate loans as part of Liability Management transactions.
- Reversal of the benefit of the substitute tax deriving from the exemption of the goodwill due to the merger in the Siena and Donatello Business combinations acquired in 2022.
- IFRS 9 does not allow for the deferment of the positive economic effects of the renegotiation of loans on the residual life of the liability: this resulted in net financial expense of approximately EUR 1 million being accounted for in the first half of 2023. For the purposes of clearer disclosure of the cost of net financial indebtedness, it was considered appropriate to show in the adjusted Income Statement financial expense related to the debt service payment, deferring the recognition of benefits of the renegotiation over the remaining term of the liability and not recognising them all in one immediate entry at the time of the amendment. The adjustment commented herein relates primarily to the reversal of the aforementioned benefit net of the effects linked to the reversal of similar income relating to re-financing operations of previous years.

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

In the course of 2022, measures were introduced in Italy and abroad to contain the effects of price increases in the electricity sector, which have already been described in the Group Financial Statements at 31 December 2022 and 2023 and whose effects, even if not significant, also impacted the Group Financial Statements at 31 December 2024.

As a result of the price scenario trend during the reference period, no significant refunds (EUR 2 million) were recorded in the 2024 financial year from the application of these measures.

In 2023, this negative impact amounted to EUR 12 million on the EBITDA (EUR 9 million on the profit from continuing operations attributable to owners of the parent).

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

### Income Statement 2024

<i>(EUR million)</i>	Financial Statements	Reversal of special items	Adjusted Income Statement
Revenue	738	-	738
Other income	55	(4)	51
<b>Total revenue</b>	<b>793</b>	<b>(4)</b>	<b>789</b>
Purchases and change in inventories	(10)	-	(10)
Services and other operating costs	(195)	8	(187)
Personnel expense	(58)	-	(58)
<b>Gross operating profit (EBITDA)</b>	<b>531</b>	<b>4</b>	<b>535</b>
Amortisation, depreciation and impairment of non-current assets	(278)	14	(263)
<b>Operating profit (EBIT)</b>	<b>253</b>	<b>19</b>	<b>271</b>
Net financial income (expense)	(27)	-	(27)
Net gains (losses) on equity investments	(2)	2	(0)
<b>Profit before taxes</b>	<b>223</b>	<b>21</b>	<b>244</b>
Income taxes	(34)	(33)	(66)
<b>Profit (loss) from continuing operations</b>	<b>190</b>	<b>(12)</b>	<b>178</b>
Non-controlling interests	(3)	-	(3)
<b>Profit (loss) from continuing operations attributable to owners of the parent</b>	<b>187</b>	<b>(12)</b>	<b>175</b>
Net profit (loss) from discontinued operations	-	-	-
<b>Profit attributable to owners of the parent</b>	<b>187</b>	<b>(12)</b>	<b>175</b>

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

The reconciliation of the effects described above is provided below:

### Income Statement 2023

<i>(EUR million)</i>	Adjusted income statement (not including IFRS 16)	IFRS 16	Adjusted income statement (including IFRS 16)
Revenue	741		741
Other income	26		26
<b>Total revenue</b>	<b>767</b>		<b>767</b>
Purchases and change in inventories	(14)		(14)
Services and other operating costs	(180)	14	(166)
Personnel expense	(53)		(53)
<b>Gross operating profit (EBITDA)</b>	<b>520</b>	<b>14</b>	<b>534</b>
Amortisation, depreciation and impairment of non-current assets	(215)	(7)	(223)
<b>Operating profit (EBIT)</b>	<b>305</b>	<b>6</b>	<b>312</b>
Net financial income (expense)	(6)	(7)	(14)
Net gains (losses) on equity investments	(0)		(0)
<b>Profit before taxes</b>	<b>299</b>	<b>(1)</b>	<b>298</b>
Income taxes	(71)		(71)
<b>Profit (loss) from continuing operations</b>	<b>228</b>	<b>(1)</b>	<b>227</b>
Non-controlling interests	(2)		(2)
<b>Profit (loss) from continuing operations attributable to owners of the parent</b>	<b>226</b>	<b>(1)</b>	<b>226</b>
Profit (loss) from discontinued operations	(7)		(7)
<b>Profit attributable to owners of the parent</b>	<b>219</b>	<b>(1)</b>	<b>219</b>

## Other information

It should be noted that a criminal investigation is underway at the Milan Court Prosecutor's Office concerning the activities carried out by an investigative company (Equalize S.r.l.), which ERG S.p.A. engaged as part of a defensive investigation following a report received under its Whistleblowing Guidelines regarding potentially serious events detrimental to the company.

Based on the information available, this investigation would also involve some employees of ERG S.p.A., however, without any involvement of the Company itself, which remains, to date, uninvolved in any allegations.

As already stated in the Press Release of 28 October 2024, ERG S.p.A. believes that it has acted in full compliance with the law and its corporate policies in carrying out the aforementioned defensive investigation.

Finally, for the sake of completeness, it should be noted that the National Commission for Companies and the Stock Exchange (CONSOB) sent some information requests in November 2024 regarding the aforementioned investigation. The Company promptly and duly responded, and CONSOB has not taken any further action to date.

## Business outlook 2025

The environment in which the Group operates is marked by volatility in both market prices and volumes, with the latter being dependent on the availability of natural resources, wind and sunlight. Commodity and electricity prices have increased in the first months of 2025 compared to those recorded in 2024. In terms of natural resources, the first months of 2025 in Europe have been marked by low wind levels, significantly lower than both the same period in 2024 and the historical averages. Better conditions, both in terms of wind and solar radiation, were instead recorded in our US farms. It should be noted that ERG, in line with the best practices in the sector and its consolidated risk policy, has in recent years made forward sales, mainly through long-term supply contracts at fixed prices (so-called PPAs) and forward contracts also through derivative financial instruments. These hedges, when carried out with a portfolio approach by the Group's Energy Management through ERG Power Generation S.p.A., are allocated from a management standpoint to the various project companies, which own the Production Units (PUs). The hedge allocation criterion follows a cascade mechanism which, with the idea of mitigating the associated risks, has the following order of priority:

- 1) electricity produced by PUs that do not have an incentive mechanism and are therefore fully exposed to the risk of market price volatility;
- 2) electricity produced by PUs that are subject to "Feed in Premium" tariffs, or mechanisms that provide for an incentive that is added to the market price;
- 3) any residual hedges are finally attributed to the quantities of electricity subject to for-difference incentive mechanisms, such as the former "green certificate" incentive tariffs (GRIN). However, no hedges are envisaged for generation subject to two-way for-difference incentive mechanisms.

The expected outlook for the main operating and performance indicators in 2025 compared to 2024 is as follows.

### Italy

**EBITDA for Wind is expected to increase slightly**, thanks to the full contribution from the Repowering farms that came into operation in 2024, totalling 101 MW (177 MW gross of the decommissioning of old plants), the higher value of the GRIN incentive, which in 2025 stands at 55 EUR/MWh compared to 42 EUR/MWh in 2024, and the higher volumes expected for the year, despite the low wind levels recorded in the first months of 2025. These results are partly offset by the lower prices achieved from the forward hedges carried out in 2024, in line with the Group's policies.

**EBITDA for Solar is expected to see a slight increase** compared to 2024, mainly due to higher volumes from the revamping and repowering activities carried out in 2024, partly offset by lower prices captured from forward hedges made during 2024.

**EBITDA for Wind & Solar in Italy is expected to increase slightly** in 2025 compared to 2024.

### Abroad

**EBITDA for Wind is expected to increase significantly** compared to 2024, mainly due to the scope effect from the full contribution of the acquisition in the USA (224 MW) and two greenfield farms in France (41 MW) that came online in 2024, along with the acquisition made in January 2025 in the UK (43 MW) and the anticipated commissioning in the first half of a greenfield farm in France (18 MW) and a repowering farm in Germany (6 MW). The estimated wind levels take into account the production recorded in the first months of the year, which was characterised by low wind conditions, while for the remainder of the year, they align with historical/statistical averages. Overall, volumes are estimated to be higher than the data recorded in 2024.

**EBITDA for Solar is expected to be largely in line** with 2024, mainly due to the full contribution from the US acquisition (92 MW), which is largely offset by lower prices captured in Spain due to the lower prices of forward hedges.

**EBITDA for Wind & Solar abroad is expected to see a significant increase** compared to 2024.

### 2025 Guidance

For the year 2025, at Group level, EBITDA is estimated in the range between EUR 540 million and EUR 600 million, up from the 2024 result (EUR 535 million).

Capital expenditure is in a range of between EUR 190 and EUR 240 million (EUR 553 million in 2024) and mainly includes the recent acquisition in the UK, the construction of the wind farms expected to be operational between 2025 and 2026.

**Adjusted net financial indebtedness** at the end of 2025 is expected to be in the range between EUR 1,850 million and EUR 1,950 million (EUR 1,793 million at the end of 2024), including the distribution of the ordinary dividend of EUR 1 per share.

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