



2024 Financial Report

CONSOLIDATED FINANCIAL STATEMENTS

VOLUME 2

*This document has been translated into English for the convenience of readers outside Italy.
The original Italian document published under the Transparency directive should be considered the authoritative version.*

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Consolidated income statement

(in millions of euros)	Chapter	2024		2023	
			of which related parties		of which related parties
Sales revenues		15,387	3,792	18,436	5,857
Other revenues and income		236	26	216	25
Total net revenues		15,623	3,818	18,652	5,882
Commodity and logistic costs (-)		(12,338)	(692)	(15,278)	(1,875)
Other costs and services used (-)		(975)	(52)	(983)	(48)
Labor costs (-)		(453)		(420)	
Receivables (writedowns) / reversals	3	(19)		(30)	
Other costs (-)		(130)		(133)	
EBITDA	2	1,708		1,808	
Net change in fair value of derivatives (commodity and exchange rate risk)	4	(4)	(455)	4	697
Depreciation and amortization (-)	5	(498)		(451)	
(Writedowns) and reversals	5	(24)		(9)	
Other income (expense) non-Energy Activities	8	(628)		(556)	
EBIT		554		796	
Net financial income (expense) on debt	6	29	43	16	27
Other net financial income (expense)	2	(13)	24	(21)	(25)
Net financial income (expense) on assigned trade receivables without recourse	3	(56)		(54)	
Income from (Expense on) equity investments	5	30	30	53	46
Profit (Loss) before taxes		544		790	
Income taxes	7	(158)		(208)	
Profit (Loss) from continuing operations		386		582	
Profit (Loss) from discontinued operations	2;9	60		14	
Profit (Loss)		446		596	
Broken down as follows:					
Minority interest in profit (loss)		43		81	
Group interest in profit (loss)		403		515	

Other components of the comprehensive income statement

(in millions of euros)	Chapter	2024	2023
Profit (Loss)		446	596
Other components of comprehensive income:			
A) Change in the Cash Flow Hedge reserve	6	(39)	387
- Gains (Losses) arising during the year		(55)	539
- Income taxes		16	(152)
B) Differences on the translation of assets in foreign currencies		1	2
- Gains (Losses) arising during the year not realized		1	2
- Losses (gains) reversal to Income Statement		-	-
- Income taxes		-	-
C) Pro rata interest in other components of comprehensive income of investee companies		-	-
D) Actuarial gains (losses) (*)		1	(1)
- Actuarial gains (losses)		1	(1)
- Income taxes		-	-
Total other components of comprehensive income net of taxes (A+B+C+D)		(37)	388
Total comprehensive profit (loss)		409	984
Broken down as follows:			
Minority interest in comprehensive profit (loss)		43	81
Group interest in comprehensive profit (loss)		366	903

(*) Items not reclassifiable in Income Statement.

Consolidated balance sheet

(in millions of euros)	Chapter	12.31.2024		12.31.2023	
			of which related parties		of which related parties
ASSETS					
Property, plant and equipment	5	3,867		3,811	
Intangible assets	5	375		387	
Goodwill	5	2,107		2,107	
Investments in companies valued by the equity method	5	171	171	291	291
Other non-current financial assets	5	95	12	89	13
Deferred-tax assets	7	392		401	
Non-current tax receivables	7	2		2	
Other non-current assets	3	301		229	
Fair Value	4	51	38	181	152
Assets for financial leasing	5	32		15	
Total non-current assets		7,393		7,513	
Inventories	3	178		174	
Trade receivables	3	2,690	366	2,561	411
Current tax receivables	7	160	132	36	23
Other current assets	3	461	32	376	55
Fair Value	4	534	111	1,037	789
Current financial assets	5;6	136	4	149	5
Cash and cash equivalents	6	921	878	1,234	1,201
Total current assets		5,080		5,567	
Assets held for sale	9	787		547	
Total assets		13,260		13,627	
LIABILITIES AND SHAREHOLDERS' EQUITY					
Share capital		4,736		4,736	
Reserves and retained earnings (loss carryforward)		1,310		1,154	
Reserve for other components of comprehensive income		18		55	
Group interest in profit (loss)		403		515	
Total shareholders' equity attributable to Parent Company shareholders	6	6,467		6,460	
Shareholders' equity attributable to minority shareholders	6	396		435	
Total shareholders' equity		6,863		6,895	
Employee benefits	5	32		33	
Provisions for decommissioning and remediation of industrial sites	5	129		127	
Provisions for risks and charges	5	177		171	
Provisions for risks and charges for non-Energy Activities	8	727		761	
Deferred-tax liabilities	7	62		85	
Other non-current liabilities	3;6	230		116	
Fair Value	4	22	16	152	117
Non-current financial debt	6	733		696	
Total non-current liabilities		2,112		2,141	
Trade payables	3	2,527	144	2,246	138
Current tax payables	7	24	14	257	176
Other current liabilities	3	665	5	364	3
Fair Value	4	637	274	1,256	316
Current financial debt	6	286	47	345	23
Total current liabilities		4,139		4,468	
Liabilities held for sale	9	146		123	
Total liabilities and shareholders' equity		13,260		13,627	

Cash flow statement

The table below analyzes the cash flow as it applies to short-term liquid assets (i.e. due within 3 months) in 2024 and 2023. In order to provide a better understanding of the Group's cash flows and their dynamics please see paragraph 6.3 Total financial indebtedness and cost of debt. The information provided below is supplemented by the data presented in a specific statement included in the Management Section of Management, Sustainability and Governance Report.

(in millions of euros)	Chapter	2024		2023	
			of which related parties		of which related parties
Profit (Loss) before taxes		544		790	
Depreciation, amortization and writedowns	5	522		460	
Net additions to provisions for risks		508		431	
Interest in the result of companies valued by the equity method (-)	5	(30)	(30)	(46)	(46)
Dividends received from companies valued by the equity method	5	4	4	-	
(Gains) Losses on the sale of non-current assets		(45)		(6)	
Change in employee benefits		(2)		(1)	
Change in fair value recorded in EBIT	4	4		(4)	
Change in operating working capital		181	51	433	201
Change in non-operating working capital		(43)	25	(427)	(111)
Change in other operating assets and liabilities		(431)		245	
Net financial (income) expense		40	(67)	59	(2)
Net financial income (expense) paid		(18)	68	(65)	1
Net income taxes paid		(499)	(384)	(436)	(170)
Operating cash flow from discontinued operations	9	35		28	
A. Operating cash flow		770		1,461	
Additions to intangibles and property, plant and equipment (-)	5	(578)		(501)	
Additions to non-current financial assets (-)	5	(48)		(30)	
Net price paid on business combinations	1	(8)		(84)	
Proceeds from the sale of intangibles and property, plant and equipment		41		76	
Proceeds from the sale of non-current financial assets		-		-	
Cash used in investing activities from discontinued operations	9	(18)		(19)	
B. Cash used in investing activities		(611)		(558)	
Receipt of new medium-term and long-term loans		102		18	
Redemption of medium-term and long-term loans (-)		(48)		(43)	
Other net change in financial debt		(87)	24	41	4
Change in current financial assets		17		5	
Net liabilities resulting from financing activities (*)	6	(16)		21	
Capital and reserves contributions (+)		-		-	
Dividends and reserves paid to controlling companies or minority shareholders (-)	6	(439)	(345)	(137)	(101)
Cash used in financing activities from discontinued operations	9	(17)		(9)	
C. Cash used in financing activities		(472)		(125)	
D. Net currency translation differences		-		-	
E. Net cash flow for the year (A+B+C+D)		(313)		778	
F. Cash and cash equivalents at the beginning of the year		1,234	1,201	456	421
G. Cash and cash equivalents at the end of the year (E+F)		921	878	1,234	1,201
H. Cash and cash equivalents at the end of the year discontinued operations		-		-	
I. Cash and cash equivalents at the end of the year continuing operations (G-H)		921	878	1,234	1,201

(*) For the reconciliation with the amounts of balance sheet please refer to paragraph 6.3 Total financial indebtedness and cost of debt.

Changes in consolidated shareholders' equity

(in millions of euros)	Share capital	Reserve for other components of comprehensive income					Group interest in profit (loss)	Total shareholders' equity attributable to Parent Company shareholders	Shareholders' equity attributable to minority shareholders	Total shareholders' Equity
		Reserves and retained earnings (loss carry-forward)	Cash Flow Hedge reserve	Differences on the translation of assets in foreign currencies	Interest in other components of comprehensive income of investee companies	Actuarial gains (losses)				
Balance at December 31, 2022	4,736	1,105	(338)	6	-	(1)	151	5,659	389	6,048
Appropriation of the previous year's profit (loss)	-	151	-	-	-	-	(151)	-	-	-
Dividends and reserves distributed (*)	-	(107)	-	-	-	-	-	(107)	(30)	(137)
Changes in the scope of consolidation	-	2	-	-	-	-	-	2	(5)	(3)
Other changes	-	3	-	-	-	-	-	3	-	3
Total comprehensive profit (loss)	-	-	387	2	-	(1)	515	903	81	984
of which:										
- Change in comprehensive income	-	-	387	2	-	(1)	-	388	-	388
- Profit (loss) for 2023	-	-	-	-	-	-	515	515	81	596
Balance at December 31, 2023	4,736	1,154	49	8	-	(2)	515	6,460	435	6,895
Appropriation of the previous year's profit (loss)	-	515	-	-	-	-	(515)	-	-	-
Dividends and reserves distributed (**)	-	(358)	-	-	-	-	-	(358)	(81)	(439)
Changes in the scope of consolidation	-	-	-	-	-	-	-	-	(1)	(1)
Other changes	-	(1)	-	-	-	-	-	(1)	-	(1)
Total comprehensive profit (loss)	-	-	(39)	1	-	1	403	366	43	409
of which:										
- Change in comprehensive income	-	-	(39)	1	-	1	-	(37)	-	(37)
- Profit (loss) for 2024	-	-	-	-	-	-	403	403	43	446
Balance at December 31, 2024	4,736	1,310	10	9	-	(1)	403	6,467	396	6,863

(*) The amount relating to Shareholders' equity attributable to Parent Company shareholders refers to the payment of a portion of 2022 profit, as per resolution of Edison Spa Shareholders' Meeting, held on April 5, 2023; the amount relating to Shareholders' equity attributable to minority shareholders refers to minority shareholders' dividends distributed by the subsidiary Edison Rinnovabili in March 2023.

(**) The amount relating to Shareholders' equity attributable to Parent Company shareholders refers to the payment of a portion of 2023 profit and an additional amount to be taken from the "retained earnings", as per resolution of Edison Spa Shareholders' Meeting held on March 27, 2024; the amount relating to Shareholders' equity attributable to minority shareholders refers to minority shareholders' dividends distributed by the subsidiary Edison Rinnovabili in March 2024.

Reclassified consolidated balance sheet

This schedule, prepared on a voluntary basis, reclassifies the balance sheet items in order to allow a quicker reconciliation with the information provided in the following chapters.

(in millions of euros)	Chapter	12.31.2024	12.31.2023
Net Working Capital	3	428	653
Trade receivables		2,690	2,561
Inventories		178	174
Trade payables		(2,527)	(2,246)
Other assets (liabilities) (*)		87	164
Fair Value commodity	4	(74)	(190)
Fixed assets, Financial assets and Provisions	5	6,331	6,386
Property, plant and equipment, intangible assets and goodwill		6,349	6,305
Investments in companies valued by the equity method		171	291
Other non-current financial assets		95	89
Assets for financial leasing		32	15
Current financial assets		22	17
Employee benefits		(32)	(33)
Provisions for decommissioning and remediation of industrial sites		(129)	(127)
Provisions for risks and charges		(177)	(171)
Tax assets (liabilities)	7	468	97
Current and non-current tax receivables (payables)		138	(219)
Deferred-tax assets (Deferred-tax liabilities)		330	316
NET INVESTED CAPITAL (°)		7,153	6,946
Provisions for risks and charges for non-Energy Activities	8	(727)	(761)
Net assets (liabilities) held for sale (excluding financial items)	9	750	550
TOTAL NET INVESTED CAPITAL		7,176	6,735
SHAREHOLDERS' EQUITY	6	6,863	6,895
Shareholders' equity attributable to Parent Company shareholders		6,467	6,460
Shareholders' equity attributable to minority shareholders		396	435
TOTAL FINANCIAL INDEBTEDNESS (**)	6	313	(160)
Current financial assets (-)		(114)	(132)
Cash and cash equivalents (-)		(921)	(1,234)
Financial debts (current and non current) (+)		1,019	1,041
Fair Value (current and non current) (+/-)		-	-
Other non-current liabilities (+)		220	39
Net financial debt Assets held for sale (+/-)		109	126
		12.31.2024	12.31.2023
(°) NET INVESTED CAPITAL (excluding risks provisions non-Energy Activities and Assets (liabilities) held for sale) - by business segment (***)		7,153	6,946
Generation & Flexibility		4,028	3,954
Gas Supply & Development of Green Gases		645	722
Clients & Services		1,867	1,814
Corporate & Environmental Remediation/Eliminations		613	456

(*) The item does not include Other non-current liabilities for 220 million euros (39 million euros at December 31, 2023) which are part of Total financial indebtedness.

(**) The item incorporates the ESMA Guidelines on financial debt and therefore includes Other non-current liabilities.

(***) See paragraph 2.2 Segment Information for more details on the operating segments identified in accordance with IFRS 8.

1. Introduction

The Consolidated financial statements of the Edison Group at December 31, 2024 comply with the requirements of the International Financial Reporting Standards (IFRSs) issued by the International Accounting Standards Board (IASB), as published in the Official Journal of the European Union (O.J.E.U.).

The Board of Directors, meeting on February 19, 2025, authorized the publication of these Consolidated financial statements, which were audited by KPMG Spa in accordance with an assignment awarded by the Shareholders' Meeting of April 28, 2020 for a period of nine years (2020-2028), pursuant to Legislative Decree No. 39 of January 27, 2010.

Unless otherwise stated, all amounts in these accompanying notes are in millions of euros.

1.1 Newly applied standards

The accounting principles, the valuation criteria and the consolidation criteria applied in the preparation of these Consolidated financial statements are consistent with those adopted for the 2023 Consolidated financial statements.

A number of amendments to IFRS were adopted during the year, without effects:

- **IAS 1 "Presentation of Financial Statements"**: a greater degree of detail was introduced in the classification of liabilities, focusing on covenant payments. Failure to comply with a covenant leads to classification of the liability as current, even if the maturity is longer than 12 months, with the obligation to provide detailed disclosure of the associated risks;
- **IFRS 16 "Leases"**: an amendment was introduced concerning sale-leaseback transactions, which clarifies that the seller-lessee must determine lease payments in such a way that no gain or loss is recognized in respect of the retained right of use;
- **IAS 7 "Cash Flow Statement"** and **IFRS 7 "Financial Instruments: Disclosures"**: the amendments require greater transparency and a clearer separation between purely trade payables and those that include a financing component, providing detailed information in the notes to the financial statements.

For more information on the standards, criteria and methods adopted by the Group, refer to the comments in chapter 10. Criteria and methods.

1.2 Presentation formats adopted by the Group

Based on the numerous IASB's projects on the topic "**Effective communication**" Edison has been adopting for some time a presentation method that makes the financial statements information more relevant and effective, considering information materiality and stakeholders' expectations. For this purpose, in continuity with previous years, the notes to the financial statements have been broken down into chapters of similar topics, instead of detailing them for single items of the financial statements.

With reference to the effects related to application of accounting standard IFRS 5 please see the following paragraph 1.4 and chapter 9. Other notes – paragraph 9.2 Information pursuant to IFRS 5.

The mandatory presentation formats utilized have the following characteristics:

- the **Consolidated income statement** is a step-by-step income statement, with the different components broken down by nature. It includes a schedule of Other components of the comprehensive income statement, which shows the components of net profit or loss provisionally recognized in equity;
- in the **Consolidated balance sheet**, assets and liabilities are analyzed by maturity. Current and non-current items, which are due within or after 12 months from the end of the reporting period, respectively, are shown separately;
- the **Cash flow statement** is prepared reporting the cash flows in accordance with the "indirect method", as permitted by IAS 7;
- the Statement of **Changes in consolidated shareholders' equity** shows separately the flows from component of the reserve for other components of comprehensive income.

As an integration of the previous formats, a **Reclassified consolidated balance sheet** was prepared on a voluntary basis in order to allow a quicker reconciliation with the information provided in the following chapters.

1.3 Main changes in the scope of consolidation compared with December 31, 2023

The main changes in the year involved:

- the acquisition, executed on January 10, 2024, of a further stake of 30% of the company **Jesi Energia** by Edison Spa, increasing its participation in the company's share capital to 100%;
- the acquisition, executed on January 31, 2024, by Edison Next Spain, of 100% of the company **Consistrol Alvarez y Asociados**, operating in the energy services for the tertiary sector, for a consideration of about 3 million euros; some earn-outs are also envisaged, subject to the fulfilment of certain conditions precedent;
- the acquisition, executed on May 30, 2024, by Edison Rinnovabili, of 100% of the company **REN 201**, dedicated to development projects in the photovoltaic sector and valued as Group of assets acquisition pursuant to IFRS 3 revised;
- the acquisition, executed on June 27, 2024, of a further stake of 20% of the company **Biotech** by Edison Next Environment, increasing its participation in the company's share capital to 100%;
- the acquisition, executed on July 18, 2024, by Edison Rinnovabili, of 100% of the company **New Solar White**, dedicated to development projects in the photovoltaic sector and valued as Group of assets acquisition pursuant to IFRS 3 revised, for a consideration of about 4 million euros;
- the acquisition, executed on September 24, 2024, by Edison Rinnovabili, of 100% of the company **SR Project 3**, which in its turn owns 100% of the share capital of the company **Energia Verde Trapani**, for a consideration of about 49 million euros. These companies are dedicated to development projects in the photovoltaic sector and valued as Group of assets acquisition pursuant to IFRS 3 revised;
- the acquisition, executed on December 18, 2024, by Edison Next Environment, of 100% of the company **Eli Fraschetta Energia**, operating in the biomethane sector, for a consideration of about 4 million euros; some earn-outs are also envisaged, subject to the fulfilment of certain conditions precedent;
- the acquisition, executed on December 19, 2024, by Edison Next Spain (formerly Edison Next Services), of 100% of the company **Instalaciones Ecoclima**, operating in the energy services for the tertiary sector, for a consideration of about 4 million euros; some earn-outs are also envisaged, subject to the fulfilment of certain conditions precedent;
- the acquisition, executed on December 19, 2024, of 100% of the companies **Gruppo Visconti Toscana** and **Gruppo Visconti Monteparano**, for a total consideration of about 2 million euros. These companies are dedicated to development projects in the photovoltaic sector and valued as Group of assets acquisition pursuant to IFRS 3 revised.

In addition, the company **Edison Regea**, 100% owned by Edison Spa, was established in the first half of 2024; the company became operating from July 1, 2024, and is in particular dedicated to the environmental remediation of former Montedison industrial sites; for more information please see chapter 8. Non-Energy Activities.

It should also be noted the following corporate rationalization and simplification operations without any effect on the Group values:

- the merger of the companies **Energia Etica**, **Sorrento Power and Gas**, **Attiva** and **Assistenza Casa** into **Edison Energia**;
- the merger of the companies **REN 153**, **Winbis**, **REN 141**, **REN 145** and **REN 147** into **Edison Rinnovabili**;
- the merger of the companies **Jesi Energia**, **Edison Reggane** and **Cellina Energy** into **Edison Spa**;
- the merger of the company **Felix Dynamics** into **Energie Rinnovabili Arpitane**;
- the merger of the companies **Sistrol** and **Edison Next Spain** into **Edison Next Services**; at the same date **Edison Next Services** has changed its company name to **Edison Next Spain**.

It should also be noted that, with reference to the companies valued by the equity method, on June 26, 2024, Edison subscribed a capital increase of 4 million euros in the company **Wind Energy Pozzallo**, dedicated to off-shore wind power development projects, as a result of which Edison holds 50% of the company. In the month of December, moreover, Edison subscribed a second capital increase for an additional amount of 4 million euros, without changes in the shareholding structure.

With reference to the business combination transactions carried out during the year and subject to the so-called Purchase Price Allocation (PPA), the following table provides a summary of the balance sheet impacts deriving from the valuation of the transactions as of the acquisition date. It should be noted that for the companies Eli Frascchetta Energia and Instalaciones Ecoclima, the values recorded are to be considered provisional since, in accordance with IFRS 3 revised, the valuation becomes final within 12 months of the acquisition.

Acquired assets and liabilities (in millions of euros)	Consistrol Alvarez y Asociados	Eli Frascchetta Energia	Instalaciones Ecoclima	Total business combinations
Total non-current assets	-	2	-	2
Total current assets	3	2	4	9
Total assets (A)	3	4	4	11
Total non-current liabilities	1	-	4	5
Total current liabilities	1	3	3	7
Total liabilities (B)	2	3	7	12
Net acquired assets (A-B)	1	1	(3)	(1)
% attributable to Edison	100%	100%	100%	
Net assets attributable to Edison (C)	1	1	(3)	(1)
Goodwill (D-C)	2	3	7	12
Price of acquisition (D)	3	4	4	11
Cash and cash equivalents acquired (E)	(1)	-	(2)	(3)
Financial debt reimbursed (F)	-	-	-	-
Net price paid on business combination (D+E+F)	2	4	2	8

It should also be noted that during the year the PPA processes related to the acquisition of the companies Felix Dynamics, Prometheus Energia, Nuove Iniziative Energetiche NIE, Cuognè and its subsidiary Idro Ressaia were completed.

For more information, please refer to the comments contained in chapter 9. Other notes – paragraph 9.1 Information on business combinations.

1.4 Application of accounting standard IFRS 5

Discontinued operations – agreement for the sale of Edison Stoccaggio to Snam

Please remember that during 2023 the company Edison Stoccaggio, to which the gas storage activities pertain, was the subject of strategic evaluations aimed at exploiting its potential to serve a further drive for growth in the Group's strategic sectors. These assessments led to the activation of a process for the search of a potential buyer.

Subsequently, on February 26, 2024, Edison and Snam announced the start of exclusive negotiations for the sale of 100% of Edison Stoccaggio, and on July 25, 2024, the sale's agreement was signed; the considerations foreseen in the agreement correspond to a total valorization of the business under disposal up to 630 million euros.

The closing of the transaction is subject to clearance by the Antitrust Authority and authorization by the Prime Minister's Office and is expected by the first quarter of 2025.

As more detailed in paragraph 9.2 Information pursuant to IFRS 5, in these Consolidated financial statements, in continuity with 2023 Consolidated financial statements, the gas storage activities, pertaining to the company Edison Stocaggio, were treated as Assets held for sale (discontinued operations) in accordance with IFRS 5; therefore:

- in the income statement the revenues and income and costs and expenses of the activities that constitute discontinued operations have been reclassified under the item **Profit (Loss) from discontinued operations** (net income for 31 million euros in 2024 and for 14 million euros in 2023);
- in the balance sheet, assets and liabilities attributable to the discontinued operations were reclassified under **Assets and Liabilities held for sale**; the sale price envisaged in the agreement is higher than the carrying value of the discontinued operations, which, as already highlighted in the 2023 Consolidated financial statements, includes the allocation, pursuant to IAS 36 paragraph 86, in the amount of 115 million euros, of a portion of the indistinct goodwill of the Gas Operations, where the Edison Stocaggio CGU was consolidated;
- in the cash flow statement, the cash flows generated by the activities that constitute the discontinued operations have been reclassified to specific dedicated items.

Disposal group – sale’s agreement of the 50% stake held in Elpedison BV to Helleniq Energy Holdings SA

On November 22, 2024, Edison received an offer to sell its 50% stake in Elpedison BV from Helleniq Energy Holdings SA, which currently holds the remaining 50% interest in the company together with its subsidiary Helleniq Energy International GMBH. At a meeting held on December 6, 2024, the Edison Board of Directors accepted the offer, which recognizes a value up to 195 million euros for the Group’s 50% stake in Elpedison BV, which in turn owns the entire share capital of the Greek company Elpedison SA.

The completion of the transaction is subject to the signing of the final purchase agreement between the two partners and the approval of the relevant regulatory authorities.

As a result of the agreement, the investment in 50% of the capital of Elpedison BV, which had previously been recognized in the balance sheet under "Investments in companies valued by the equity method", was treated as a disposal group in accordance with IFRS 5 and was therefore reclassified as Assets held for sale at December 31, 2024, while the balance sheet balances at December 31, 2023 were not restated.

Disposal group – sale’s agreement of the activities located in Sesto San Giovanni to A2A

On November 29, 2024, an agreement was signed for the sale to A2A of the assets and liabilities located in Sesto San Giovanni.

As a result of the agreement, the activities have been treated as disposal group pursuant to IFRS 5, as alone they do not represent a significant autonomous business unit for the Edison Group and as such it is not possible to classify them as discontinued operations; therefore:

- in the balance sheet at December 31, 2024, the balances related to the activities under disposal are shown under Assets and Liabilities held for sale; the balance sheet balances at December 31, 2023 are those published in the 2023 Consolidated financial statements and have not been restated;
- in the income statement and in the flows the representation of the contribution to Group values is included in continuing operations.

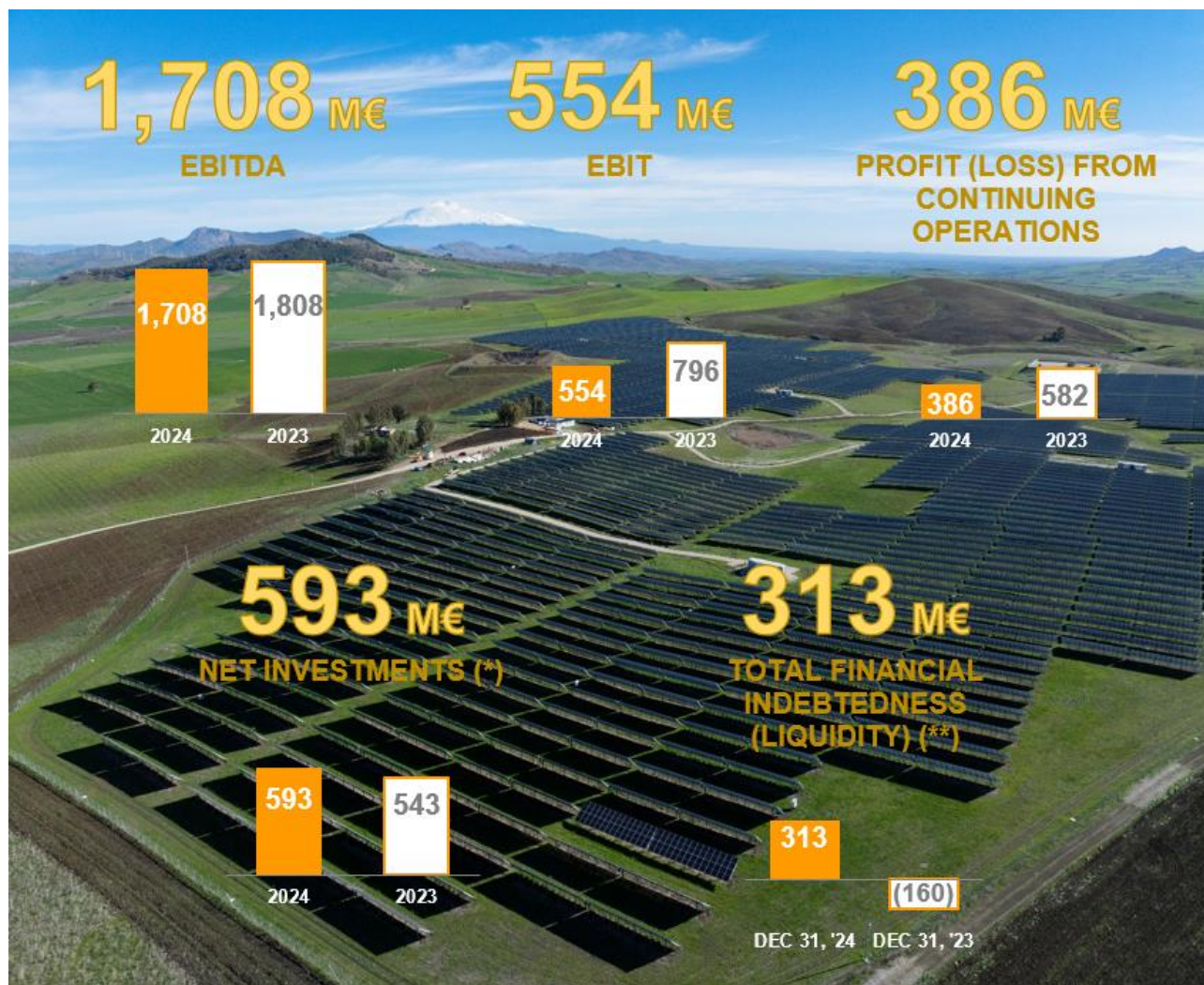
Other amounts recognized under Assets and Liabilities held for sale

It should be noted that some amounts, pertaining to the E&P business, linked to the sale transaction concluded in 2020 with Energean, are still recognized under Assets held for sale and Liabilities held for sale at December 31, 2024.

For more information regarding the application of IFRS 5 accounting standard and the related effects on these Consolidated financial statements, see paragraph 9.2 Information pursuant to IFRS 5.

2. Performance

2.1 Highlights



“Solecaldo” photovoltaic plant – Aidone (EN)

(*) Effect on indebtedness as described in the paragraph 6.3 Total financial indebtedness and cost of debt.

(**) The item incorporates the ESMA guidelines on financial debt and therefore includes other non-current liabilities for 220 million euros (39 million euros at December 31, 2023); see paragraph 6.3 Total financial indebtedness and cost of debt.

Highlights 2024 (in millions of euros)	Generation & Flexibility	Gas Supply & Development of Green Gases (*)	Clients & Services	Corporate & Environmental Remediation	Eliminations	Edison Group
EBITDA	789	560	385	(26)	-	1,708
EBIT	555	492	197	(687)	(3)	554
Gross Investments (**)	291	21	242	21	-	575

(*) Excluding gas storage activities, under disposal;

(**) Relating to increases of property, plant and equipment and of intangible assets

2.2 Segment information

During the year, the segment information of the Group's business, which, since 2002, led to the identification, pursuant to IFRS 8, of the operating segments "Electric Power Operations", "Gas Operations" and "Corporate", was the subject of an in-depth revision by Management and the Board of Directors, with the aim of better aligning the business segment to the Group's strategy. Such strategy was presented to the market at the end of 2023, on the occasion of the 140th anniversary of the Edison foundation, with the document "Our Targets for 2030 and Ambitions for 2040". The segmentation identified allows to reflect the following strategic priorities of the Group: (i) expand the renewable generation portfolio and the capability to provide flexibility; (ii) adapt gas supply to Italian demand while developing green gases; (iii) support customers on their decarbonization journey. The new business areas identified, illustrated below, also ensure an information structure consistent with the management and planning reporting structure periodically examined by the Management and the Board of Directors to analyze the performance.

Generation & Flexibility: the Group operates a portfolio of generation plants from thermoelectric, hydroelectric, wind and photovoltaic sources and carries out plant management and development activities, as well as the optimization of the energy portfolio;

Gas Supply & Development of Green Gases: this includes midstream gas activities, such as the development of gas transportation infrastructure, the management of procurement contracts, sales to wholesale customers and storage activities, the latter of which are reported under Assets and Liabilities held for sale (discontinued operations); the Group is also committed to the development of green gases;

Clients & Services: this includes the activities of: (i) Edison Energia and its subsidiaries (hereinafter referred to as Edison Energia) as selling gas, electric power and value-added services (VAS) to end customers (business and residential); (ii) Edison Next and its subsidiaries, excluding the green gas development activities, (hereinafter referred to as Edison Next), with a portfolio of energy and environmental services activities aimed at both companies and Public Administration;

Corporate & Environmental Remediation: includes the centralized and transversal activities of the Parent Company, the activities of certain holding companies and companies active in the real estate and environmental sectors, including Edison Regea, a company established during the year and dedicated to environmental remediation activities. For more information on environmental remediation activities, see chapter 8. Non-Energy Activities.

Therefore it was necessary to reallocate the goodwill of the Group to the new operating segments, consistently with IFRS 8 and IAS 36, as further defined below in paragraph 5.1 Tangible, intangible assets and goodwill.

In this document, the income statement, balance sheet and cash flow details by operating segment for the year 2024 are therefore presented with reference to the business areas described above, and the data of 2023 have been restated for comparative purposes.

(in millions of euros)	Generation & Flexibility	Gas Supply & Development of Green Gases	Clients & Services	Corporate & Environmental Remediation	Adjustments	Edison Group
Income statement 2024						
Sales revenues	4,734	9,362	7,263	187	(6,159)	15,387
- Third parties	2,963	5,209	7,212	3	-	15,387
- Intra-Group	1,771	4,153	51	184	(6,159)	-
Commodity and logistic costs	(3,522)	(8,703)	(6,081)	-	5,968	(12,338)
Other costs and services used	(402)	(91)	(552)	(126)	196	(975)
Labor costs	(76)	(21)	(266)	(90)	-	(453)
Other revenues and income (costs) and receivables (writedowns)/reversals	55	13	21	3	(5)	87
EBITDA	789	560	385	(26)	-	1,708
Net change in fair value of derivatives	19	(20)	-	-	(3)	(4)
Depreciation and amortization	(251)	(26)	(188)	(33)	-	(498)
(Writedowns) and reversals	(2)	(22)	-	-	-	(24)
Other income (expense) non-Energy Activities	-	-	-	(628)	-	(628)
EBIT	555	492	197	(687)	(3)	554
Balance sheet at 12.31.2024						
Current and non-current assets	5,095	2,807	3,535	4,602	(3,566)	12,473
Assets held for sale	10	624	-	263	(110)	787
Total assets	5,105	3,431	3,535	4,865	(3,676)	13,260
Current and non-current liabilities	1,444	2,241	2,501	2,051	(1,986)	6,251
Liabilities held for sale	11	205	-	40	(110)	146
Total liabilities	1,455	2,446	2,501	2,091	(2,096)	6,397
Total shareholders' equity						6,863
Total financial indebtedness (liquidity)						313
Other information and ratios						
Number of employees	826	207	4,177	924	-	6,134
Employees in activities held for sale (*)	18	57	-	-	-	75
EBITDA/Sales revenues	16.7%	6.0%	5.3%	n.m.	n.m.	11.1%
EBIT/Sales revenues	11.7%	5.3%	2.7%	n.m.	n.m.	3.6%
TF/EBITDA						0.2
Income statement 2023 (**)						
Sales revenues	6,355	11,906	7,679	164	(7,668)	18,436
- Third parties	4,120	6,788	7,523	5	-	18,436
- Intra-Group	2,235	5,118	156	159	(7,668)	-
Commodity and logistic costs	(5,251)	(11,056)	(6,464)	-	7,493	(15,278)
Other costs and services used	(336)	(73)	(644)	(111)	181	(983)
Labor costs	(70)	(20)	(242)	(88)	-	(420)
Other revenues and income (costs) and receivables (writedowns)/reversals	18	18	9	14	(6)	53
EBITDA	716	775	338	(21)	-	1,808
Net change in fair value of derivatives	2	(52)	-	-	54	4
Depreciation and amortization	(223)	(40)	(158)	(30)	-	(451)
(Writedowns) and reversals	-	-	(9)	-	-	(9)
Other income (expense) non-Energy Activities	-	-	-	(556)	-	(556)
EBIT	495	683	171	(607)	54	796
Balance sheet at 12.31.2023 (**)						
Current and non-current assets	5,350	3,448	3,730	5,269	(4,717)	13,080
Assets held for sale	-	609	-	65	(127)	547
Total assets	5,350	4,057	3,730	5,334	(4,844)	13,627
Current and non-current liabilities	1,418	2,801	2,778	2,680	(3,068)	6,609
Liabilities held for sale	-	222	-	28	(127)	123
Total liabilities	1,418	3,023	2,778	2,708	(3,195)	6,732
Total shareholders' equity						6,895
Total financial indebtedness (liquidity)						(160)
Other information and ratios (**)						
Number of employees	799	192	4,196	770	-	5,957
Employees in activities held for sale (*)	-	57	-	-	-	57
EBITDA/Sales revenues	11.3%	6.5%	4.4%	n.m.	n.m.	9.8%
EBIT/Sales revenues	7.8%	5.7%	2.2%	n.m.	n.m.	4.3%
TF/EBITDA						n.m.

(*) At december 31, 2024 they include employees of Edison Stocaggio and activities located in Sesto San Giovanni; at December 31, 2023 they included employees of Edison Stocaggio

(**) Following the presentation of the 2024 data according to the newly identified operating segments, the 2023 data have been restated for comparative purposes

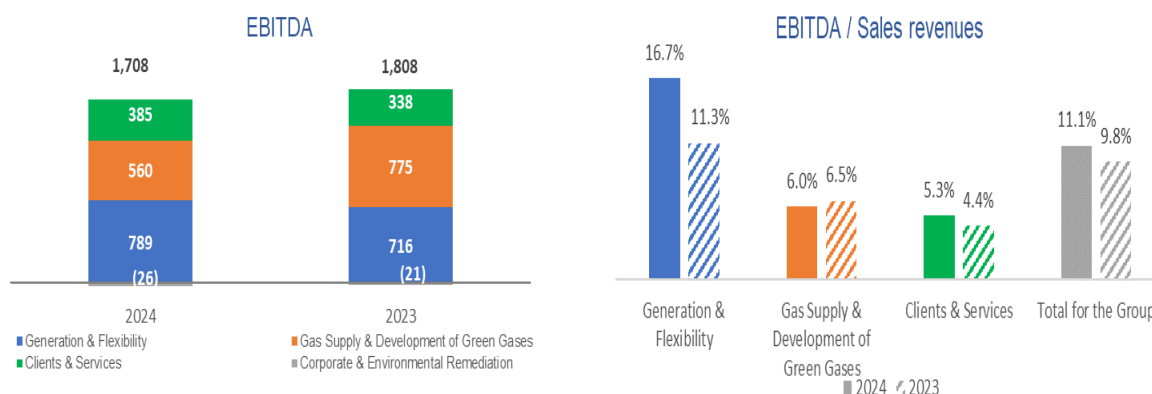
The Group does not view geographic area segment information as meaningful, since it is essentially concentrated in Italy.

Major customers as defined by IFRS 8

Sales revenues of the Group are usually not concentrated; there is only one major customer (related party) with total sales revenues amounting to about 3,752 million euros in the year, mainly referred to Generation & Flexibility (corresponding to about 47% of sales revenues of the segment and about 24% of Group's sales revenues). Please see also paragraph 9.4 Intercompany and Related-party transactions.

2.3 EBITDA

EBITDA (in millions of euros)	2024	2023	Change	Change %
Generation & Flexibility	789	716	73	10.2%
Gas Supply & Development of Green Gases	560	775	(215)	(27.7%)
Clients & Services	385	338	47	13.9%
Corporate & Environmental Remediation	(26)	(21)	(5)	(23.8%)
Total for the Group	1,708	1,808	(100)	(5.5%)



Within a less favourable market scenario compared to 2023, Group EBITDA was positive for 1,708 million euros, with a slight decrease compared to 2023 (1,808 million euros).

Generation & Flexibility recorded in particular an EBITDA of the thermoelectric sector with a decrease compared to the previous year, due to a less favourable market scenario. The renewables sector achieved, instead, an EBITDA with a sharp increase compared to 2023, mainly thanks to the increase in hydroelectric production, partially offset by higher fees on concessions.

The EBITDA of Gas Supply & Development of Green Gases, amounting to 560 million euros, was in decrease compared to 2023 (775 million euros) mainly due to the reduction of gas prices and to lower opportunities of asset portfolio optimization. Please remember that 2023 included for 20 million euros the contribution from activities in Algeria, which were sold during the second half of 2023. As previously noted, gas storage activities are not included in the values commented above, as they are classified as discontinued operations pursuant to IFRS 5.

Clients & Services recorded an EBITDA of Edison Energia of 263 million euros, in increase compared to 2023 (222 million euros) thanks to good results on Retail and Business markets. It should also be noted the contribution of the activities of Edison Next for 122 million euros (116 million euros in 2023), in slight increase also thanks to a positive effect related to the sale of some assets in Poland partially offset by lower results of industry activities.

The EBITDA of Corporate & Environmental Remediation recorded a downward trend compared to the last year mainly due to higher service costs and to a slight increase in payroll.

The main components of EBITDA are analyzed below.

2.3.1 Sales revenues

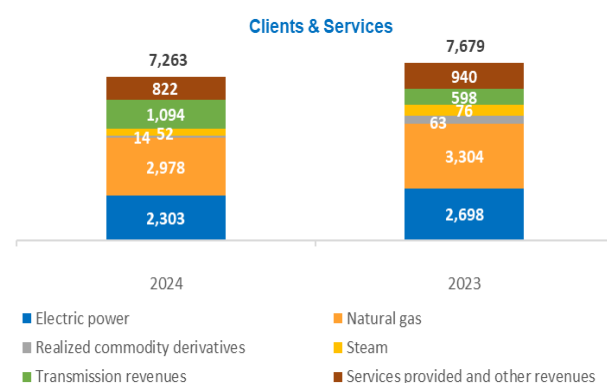
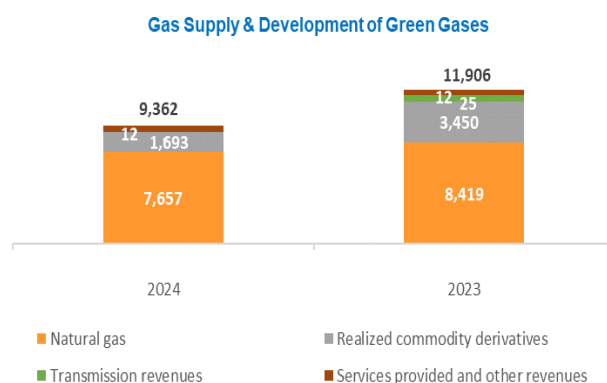
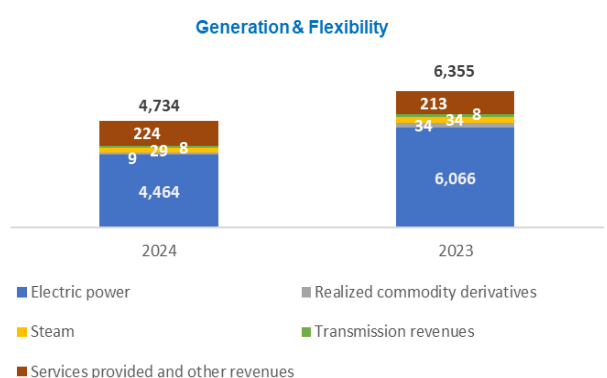
Sales revenues (in millions of euros)	2024	2023	Change	Change %		
Electric power	4,994	6,479	(1,485)	(22.9%)		15,387
Natural gas	6,496	6,687	(191)	(2.9%)		18,436
Realized commodity derivatives	1,687	3,393	(1,706)	(50.3%)		6,355
Steam	81	110	(29)	(26.4%)		11,906
Transmission revenues	1,099	630	469	74.4%		7,679
Revenues from services provided	736	674	62	9.2%		164
Other revenues	294	463	(169)	(36.5%)		(7,668)
Total	15,387	18,436	(3,049)	(16.5%)		

Sales revenues of electric power recorded a decrease due to the contraction in the price scenario. Please note that sales revenues of electric power of Generation & Flexibility also include sales to Clients & Services to meet sales requirements to end customers.

The Group's sales revenues of natural gas show a contraction too, due to the decrease of energy commodity prices partially offset by the increase in the sales' volume. Sales revenues of natural gas of Gas Supply & Development of Green Gases also include sales to Generation & Flexibility, to meet thermoelectric needs, and to Clients & Services.

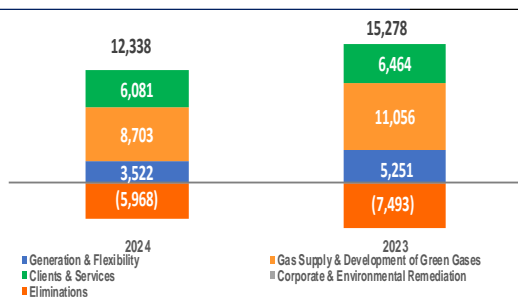
The realized results on commodity derivatives, that should be analyzed together with the corresponding item included in Commodity and logistic costs, concern the commodities and foreign exchange hedge executed to mitigate the risk of fluctuation in the cost of natural gas and that related to its sale, in line with the indexing formulas and the risk factors included.

Revenues from services provided include revenues for energy services of Edison Next (506 million euros in 2024, 445 million euros in 2023).



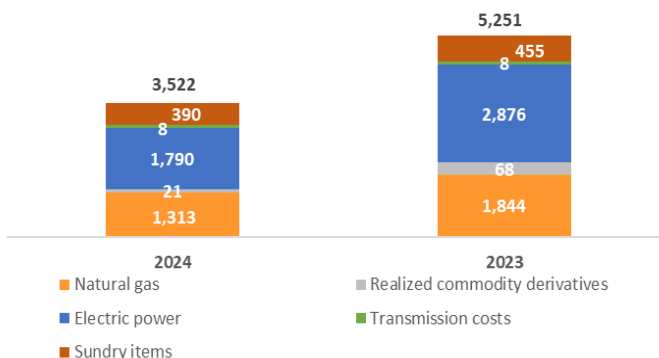
2.3.2 Commodity and logistic costs

Commodity and logistic costs (in million euros)	2024	2023	Change	Change %
Natural gas	6,332	7,183	(851)	(11.8%)
Realized commodity derivatives	1,353	3,042	(1,689)	(55.5%)
Electric power	1,846	2,863	(1,017)	(35.5%)
Transmission costs	2,235	1,585	650	41.0%
Regasification fee	145	112	33	29.5%
Sundry items	427	493	(66)	(13.4%)
Total	12,338	15,278	(2,940)	(19.2%)



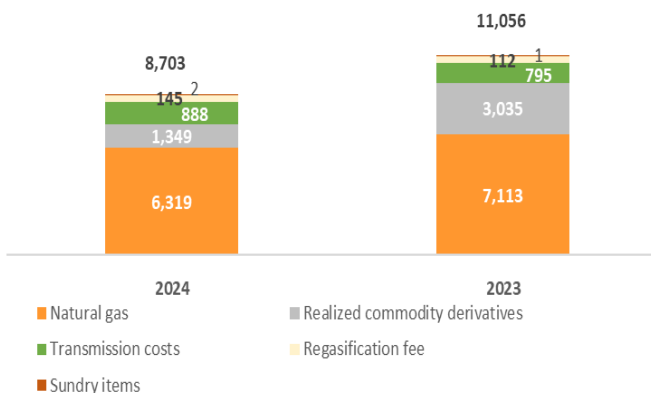
Commodity and logistic costs show a decrease and reflect the issues already commented on the previous section.

Generation & Flexibility

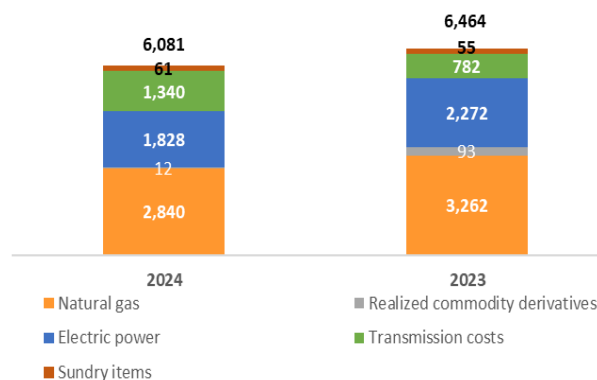


The item Regasification fee of 145 million euros includes the fees paid to regasification terminals, up due to both the increase in regasification capacity slots and the effect of tariffs.

Gas Supply & Development of Green Gases

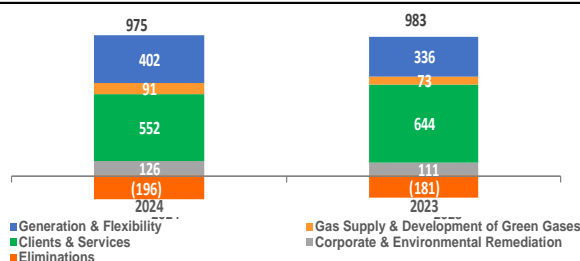


Clients & Services



2.3.3 Other costs and services used

Other costs and services used (in million euros)	2024	2023 (*)	Change	Change %
Maintenance	188	143	45	31.5%
Professional services	254	287	(33)	(11.5%)
Use of property not owned	238	162	76	46.9%
Insurance costs	39	35	4	11.4%
Advertising and communication costs	21	22	(1)	(4.5%)
Sundry items	235	334	(99)	(29.6%)
Total	975	983	(8)	(0.8%)

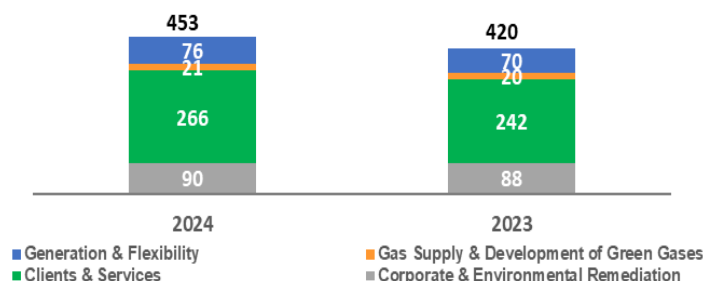


(*) The breakdown by nature of certain costs has been partially revised in 2024; the data of 2023 therefore has been restated for comparative purposes

During the year there was an increase in costs for the use of property not owned, mainly due to fees on hydroelectric concessions, and in maintenance costs. The decrease in Sundry items is mainly due to the reduction in the volumes of sales of value-added services (VAS).

2.3.4 Labor costs

These costs recorded an increase of 33 million euros compared to the previous year, partially due to the growth of average payroll.



The following table shows the average number of employees in 2024 and 2023 and provides the classification by category together with the changes of the year.

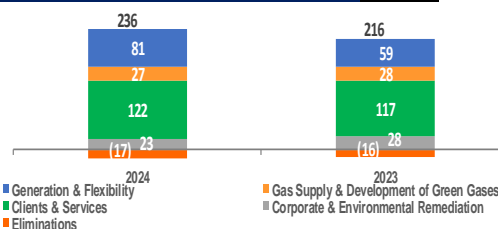
Changes by employee category (*) (number of employees)	12.31.2023	Added to payroll	Removed from payroll	Changes of classification	Reclassification Assets held for sale (**)	12.31.2024	Average payroll 2024	Average payroll 2023
Executives	215	3	(10)	12	-	220	218	212
Office staff and Middle manager:	3,372	426	(209)	18	(17)	3,590	3,519	3,310
Production staff	2,370	200	(215)	(30)	(1)	2,324	2,357	2,378
Total for the group	5,957	629	(434)	-	(18)	6,134	6,094	5,900

(*) Excluding employees of Edison Stocaggio

(**) It refers to the employees of the Sesto San Giovanni activities, reclassified at December 31, 2024 under the item Employees in activities held for sale

2.3.5 Other revenues and income and Other costs

Other revenues and income (in millions of euros)	2024	2023	Change	Change %
Net reversal in earnings of provisions for sundry risks	21	30	(9)	(30.0%)
Gains on disposals	50	9	41	n.s.
Insurance indemnities	15	5	10	n.s.
Out of period and other income	150	172	(22)	(12.8%)
Total	236	216	20	9.3%



In 2024 the item Gains on disposals includes some positive non-recurring effects, amongst other, for about 27 million euros, the effect of the sale of some assets in Poland by Edison Next.

It should be noted that the item Out of period and other income includes 12 million euros (16 million euros in 2023) from the operations managed in compliance with MASA joint venture agreement with EDF Trading, as described in paragraphs 4.1 Market risks and risk management and 9.4 Intercompany and Related-party transactions.

Other costs (in million euros)	2024	2023	Change	Change %		
Indirect taxes and duties	15	18	(3)	(16.7%)		
Additions to provisions for risks	41	29	12	41.4%		
Out of period and sundry items	74	86	(12)	(14.0%)		
Total	130	133	(3)	(2.3%)		

The item Out of period and sundry items includes losses on disposals for 5 million euros (3 million euros in 2023).

2.4 From EBITDA to Profit (Loss) from continuing operations

In addition to the industrial performance discussed above, it is worth of noting, in particular:

- depreciation and amortization for 498 million euros (451 million euros in 2023) and writedowns for 24 million euros (9 million euros in 2023 of writedowns net of reversals); for further information please refer to chapter 5. Fixed assets, Financial assets and Provisions;
- the net change in fair value of derivatives (commodities and exchange rate risk), related to the ineffectiveness of some hedging, negative for 4 million euros (positive for 4 million euros in 2023);
- net expense on non-Energy Activities, which include the adjustment of some provisions for risks linked to environmental remediation, amounting to 628 million euros (556 million euros in 2023); for further detail please refer to chapter 8. Non-Energy Activities.

EBIT amounted to 554 million euros (796 million euros in 2023).

Financial items, which include the expenses on assigned trade receivables without recourse, recorded a total of 40 million euros in net expense, an improvement compared with the 2023 (net expense of 59 million euros); the change is mainly attributable to higher net financial income on debt, which benefited from the significant amount of cash and cash equivalents, and to exchange rates effects.

As regards Net financial income (expense) on debt and Net financial income (expense) on assigned trade receivables without recourse reference should be made to paragraphs 6.3 Total financial indebtedness and cost of debt and 3.2 Operating working capital, respectively; the following table is a breakdown of the item Other net financial income (expense).

Other net financial income (expense) (in millions of euros)	2024	2023	Change
Financial expenses on provisions	(8)	(7)	(1)
Net foreign exchange translation gains (losses) (*)	12	(7)	19
Other	(17)	(7)	(10)
Other net financial income (expense)	(13)	(21)	8

(*) Including net results of the transactions with EDF Sa to cover exchange rate risk.

The trend of the item Net foreign exchange translation gains (losses) is affected in particular by the results of hedging derivatives linked to the exchange rate between euro and U.S. dollar.

After including the effect of **income taxes** (net expense for 158 million euros, compared to net expense for 208 million euros in 2023; please see chapter 7. Taxation) and net income from equity investments (30 million euros, compared to net income for 53 million euros in 2023; please see paragraph 5.2 Equity investments and Other financial assets), the **Profit (Loss) from continuing operations is 386 million euros in profit, 582 million euros in profit in 2023.**

2.5 Profit (Loss) from discontinued operations and Group interest in profit (loss)

Profit (Loss) from discontinued operations is a profit for 60 million euros and includes:

- for 31 million euros (14 million euros in 2023) the revenues and income and costs and expenses attributable to gas storage activities, held for sale;
- for 29 million euros an income determined by the revision of the estimated value of the earn-out set forth in the agreement with Energean following the sale of the E&P business in 2020 (up to 100 million USD related to the commissioning of Cassiopea gas field in Italy).

For further information please refer to paragraph 9.2 Information pursuant to IFRS 5.

Minority interest in profit (loss) is 43 million euros in profit (81 million euros in 2023) and essentially reflects the positive performance of Edison Rinnovabili (owned by Edison at 51%) and its subsidiaries.

The **Group interest in profit (loss) is equal to 403 million euros in profit** (a profit for 515 million euros in 2023).

3. Net working capital

Net Working Capital (in millions of euros)	12.31.2024	12.31.2023	Change
Trade receivables	2,690	2,561	129
Inventories	178	174	4
Trade payables	(2,527)	(2,246)	(281)
Operating Working Capital (A)	341	489	(148)
Other non-current assets	301	229	72
Other current assets	461	376	85
Other non-current liabilities (*)	(10)	(77)	67
Other current liabilities	(665)	(364)	(301)
Other assets (liabilities) (B)	87	164	(77)
Net working capital (A+B)	428	653	(225)

(*) It should be noted that the item 'Other non-current liabilities' here exposed does not include the liabilities belonging to 'Total financial indebtedness', amounting to 220 million euros (39 million euros at December 31, 2023); reference should be made to paragraph 6.3 Total financial indebtedness and cost of debt.

Overall, Operating working capital decreased compared to December 31, 2023. The price scenario of main energy commodities showed lower average values than in 2023, even if it saw a recovery in the last months of the year.

3.1 Credit risk management

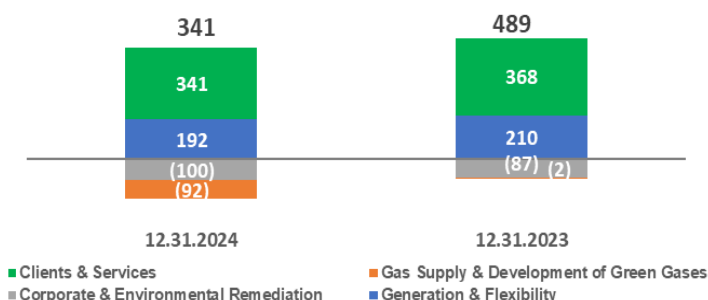
The credit risk represents Edison Group's exposure to potential losses that could be incurred if a commercial and/or financial counterpart fails to meet its obligations.

In order to manage and control this risk, the Edison Group has adopted strategies, governance tools and policies, with the primary objective of ensuring that exposure to this risk does not compromise the Group's financial and development objectives. In particular, as part of the Credit Risk Policy, the Group has for some time now, implemented procedures and tools for the evaluation and selection of counterparties on the basis of credit standing, the continuous monitoring of exposure to the various counterparties and the implementation of appropriate mitigation actions, which are better commented in section 3.2.1 below.

At December 31, 2024, there were no significant exposures to risks related to a possible deterioration of the overall financial environment and/or significant concentrations with individual non-institutional counterparties.

3.2 Operating working capital

Operating working capital



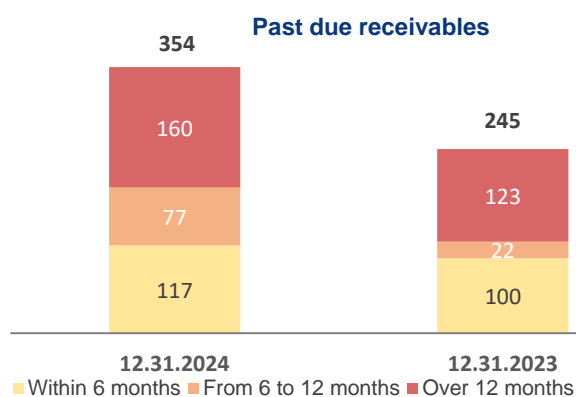
The operating working capital shows a decrease compared to December 31, 2023; such reduction is mainly due to Gas Supply & Development of Green Gases business area.

3.2.1 Trade receivables

Trade receivables (in millions of euros)	12.31.2024	12.31.2023	Change
Generation & Flexibility	644	655	(11)
Gas Supply & Development of Green Gases	1,131	1,012	119
Clients & Services	1,474	1,441	33
Corporate & Environmental Remediation	7	3	4
Eliminations	(566)	(550)	(16)
Trade receivables	2,690	2,561	129
of which allowance for doubtful accounts	(156)	(170)	14
Guarantees in place to hedge receivables outstanding	151	85	66

Trade receivables in particular stem from contracts to supply electric power and steam, contracts to supply natural gas and Power Exchange transactions, as well as contracts to provide energy services of Edison Next. The eliminations mainly refer to receivables of the two business areas Gas Supply & Development of Green Gases and Generation & Flexibility owed by the business area Clients & Services for gas and electric power sales to end customers.

Edison Group regularly carries out transactions to assign trade receivables without recourse on a revolving monthly basis and by the transfer of credit risk on a non-recourse basis. Note that in 2024 the receivables assigned with such transactions totalled 5,959 million euros (6,573 million euros in 2023). These receivables were not exposed to the risk of recourse at December 31, 2024. The costs related to managing these activities are recorded under financial items and amount to 56 million euros (54 million euros in 2023).



Edison Group continues to pursue a credit management approach differentiated over three market segments (Retail, Business and Public Administration), which is aimed, through structural actions, at preventing the formation of new trade receivables and quickly collect both current and non-performing receivables. The increase of past due receivables compared to December 31, 2023, is mainly related to the business area Clients & Services.

The table that follows shows the changes in "Allowance for doubtful accounts":

(in millions of euros)	12.31.2023	Additions	Utilizations	Others	12.31.2024
Allowance for doubtful accounts (*)	(170)	(26)	40	-	(156)

(*) Including default interests

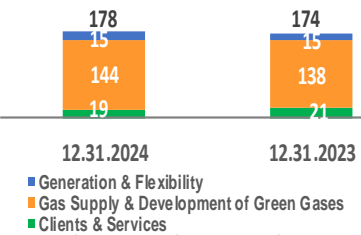
Additions to the allowance reflect the result of an assessment, performed consistent with the Group's policy, of the different status of receivables, taking into account each customer segment, the corresponding past-due receivables and the aging; utilizations were mainly recognized for receivables deemed uncollectible during the year.

EBITDA of the year shows net charges related to writedowns and reversals on receivables for 19 million euros, decreasing compared to 2023 (30 million euros of net charges), mainly due to lower additions.

The amount of the allowance for doubtful accounts is determined based on the different underlying credit statuses or, particularly for receivables owed by Retail customers, taking into account the relative age of the non-performing receivables and the methodology envisaged in the IFRS 9 accounting standard (expected credit losses model). It should also be noted

that there are in effect three insurance contracts on the receivables related to a part of the Business customers and to other types of customers; these contracts are aimed at reducing the credit risk on the customers concerned.

3.2.2 Inventories

Inventories	12.31.2024	12.31.2023	Change		
(in millions of euros)				12.31.2024	12.31.2023
Stored Natural Gas	143	139	4		
Engineering consumables	27	28	(1)		
Other	8	7	1		
Inventories	178	174	4		

The inventories include for about 5 million euros (5 million euros at December 31, 2023) stored natural gas the use of which is restricted to secure performance under the balancing system.

3.2.3 Trade payables

Trade payables	12.31.2024	12.31.2023	Change
(in million euros)			
Generation & Flexibility	467	460	7
Gas Supply & Development of Green Gases	1,367	1,152	215
Clients & Services	1,152	1,094	58
Corporate & Environmental Remediation	107	90	17
Eliminations	(566)	(550)	(16)
Trade payables	2,527	2,246	281

Trade payables reflect mainly purchases of electric power, natural gas and other utilities, as well as services related to plant maintenance. The eliminations, as described above with reference to trade receivables, are mainly related to debts of the business area Clients & Services for purchases of natural gas and electric power from the business areas Gas Supply & Development of Green Gases and Generation & Flexibility, respectively.

3.3 Other assets and liabilities

Other assets and liabilities	12.31.2024	12.31.2023	Change
(in million euros)			
VAT credit	190	73	117
Other tax receivables	14	19	(5)
Deposits	23	19	4
Advances to suppliers	76	76	-
Other	459	418	41
Total Other assets (A)	762	605	157
Amount owed to employees	69	67	2
Payables owed to social security institutions	41	36	5
VAT debt	6	-	6
Other non-current liabilities	10	77	(67)
Other	549	261	288
Total Other liabilities (B)	675	441	234
Other assets and liabilities (A-B)	87	164	(77)

The increase in the item Other of Other assets reflects mainly the increase in receivables linked to the exercise of the sale of the tax credit by customers in the commercial area to which tangible goods were sold, such as boilers, air conditioners and photovoltaic systems, under the superbonus regime.

Other non-current liabilities refer to amounts withheld to guarantee the performance of the latest-generation turbines installed at the Marghera Levante and Presenzano thermoelectric power plants, in decrease partially due to the payments made during the year and partially due to the reclassification under current liabilities of the maturing portions of debts.

The increase in the item Other of Other liabilities is attributable, among other things, to payables for fees on hydroelectric concessions and certain payables recognized as part of non-Energy Activities (for further information see chapter 8. Non-Energy Activities).

Commitments

At December 31, 2024, guarantees of about 226 million euros (259 million euros at December 31, 2023) were recognized to the Revenue Agency, provided mainly by Edison Spa and referred to VAT credit refunds related to years 2019, 2020 and 2023.

4. Market risk management

This chapter provides an overview of the policies and principles adopted by the Edison Group to manage and control the commodity price risk that arises from the volatility of the prices of energy commodities and environmental securities, the foreign exchange risk linked to commodities and other risks related to foreign exchange rate.

In accordance with IFRS 7 Financial Instruments - Disclosure, consistent with Management Section of Management, Sustainability and Governance Report, the paragraphs that follow provide information about the nature of the risk related to financial instruments, based on accounting and management sensitivity considerations.

In addition, effects of derivatives transactions on income statement and balance sheet at December 31, 2024 are provided too.

4.1 Market risks and risk management

4.1.1 Commodity price risk and exchange rate risk related to commodity transactions

The Edison Group is exposed to the risk of fluctuations in the prices of all the energy commodities that it handles (electric power, natural gas, petroleum products and environmental securities), both directly, with pricing formula, and indirectly, through statistical correlations and economic relations, which have an impact on the revenues and expenses of its production and marketing operations. Moreover, because some contracts are settled in currencies different from euro and/or include a translation into different currencies through price indexing formulas, the Group is also exposed to exchange rate risk.

The management and control of these risks are governed by the Energy Risk Policies, which involve the use of derivatives for hedging purposes in order to reduce or mitigate the related risk.

From an organizational standpoint, the governance model adopted by the Group requires the separation of the risk control and management functions from the activity of purchasing and selling derivatives.

At the operational level, the net exposure is computed for the Group's entire portfolio of assets and contracts (so-called Industrial Portfolio), which is the net residual exposure after maximizing all available vertical and horizontal integrations provided by the different business areas. This net exposure is then used to compute the overall level of Economic Capital involved (stated in millions of euros), measured in terms of Profit at Risk (PaR¹) with a confidence index of 97.5% and an annual time horizon.

Each year, the Board of Directors approves the Economic Capital ceiling concurrently with the approval of the annual budget. The Hedging Pricing & Counterpart Committee, which is headed by Senior Management, reviews monthly the Group's net exposure and, if the Profit at Risk is higher than the predetermined ceiling, defines the appropriate Strategic Hedging policies, which may involve the use of suitable derivatives instruments.

These activities are performed in line with the policy of the Group with the aim to minimize the use of financial markets for hedging, by maximizing the benefits of vertical and horizontal integration of the various business areas and the homogenization of the formulas and indexing between the sources and physical uses. In addition, the gradualness of

¹ **Profit at Risk:** is a statistical measurement of the maximum potential negative variance in the budgeted margin in response to unfavorable markets moves, within a given time horizon and confidence interval.

Strategic Hedging ensures the minimization of the execution risk, related to the concentration of all the hedges in a phase of unfavorable market, the volume risk, linked to the variability of the underlying hedged based on the best volume projections, and of the operational risk, related to implementation errors.

Provided transactions are approved in advance by the Risk Office, which determines whether they are consistent with the Group's risk management objectives and with the Group's total exposure, the Edison Group, responding to specific requests from individual Business Units, may also use other types of hedges called Operational Hedges with the aim to fix the margin related to a single transaction or to limited set of transactions correlated.

At December 31, 2024, outstanding derivatives instruments were measured at fair value against the forward market curve at the end of the reporting period, when the underlying assets were traded on markets that provided official and liquid forward prices. When no forward market quotes were available, projected price curves based on simulation models developed internally by the Edison Group were used.

The Italian forward market for electric power does not yet meet IFRS requirements to qualify as an active market. Specifically, both the Over The Counter (OTC) markets operated by brokerage firms (e.g. TFS) and those operated both by Borsa Tedesca (EEX) and by Borsa Italiana (IDEX) and the Manager of the Energy Markets (MTE) lack sufficient liquidity for peak and off-peak products and for maturities longer than one year.

Consequently, market price data obtained from those market should be viewed as input for the internal valuation model used to measure at fair value the abovementioned products.

As required by IFRS 7, a simulation is carried out for the derivatives instruments that hedge the Industrial Portfolio, some of which qualify for hedge accounting under IFRS 9 (Cash Flow Hedges or Fair Value Hedges) while others qualify as Economic Hedges, to assess the potential impact that fluctuations in the market prices of the underlying assets could have on the fair value of outstanding derivatives. The simulation is carried out for a length of time equal to the residual lives of outstanding derivative contracts, the farthest maturity of which is currently 2028. For derivative contracts in place at December 31, 2024 the method requires the use of the commodities forward prices and exchange rates, measured at the reporting date, and of the related volatility and correlations.

Having thus obtained a probability distribution for changes in fair value, it then becomes possible to extrapolate the maximum expected negative change in the fair value of outstanding derivative contracts over the length of a reporting year with a level of probability conventionally set at 97.5%.

The following table shows, based on the method explained above, the maximum expected negative variance in the fair value of the outstanding hedging derivatives, with a 97.5% probability and a one-year time horizon, compared with the fair value determined at December 31, 2024.

Value at Risk (VaR) ^(*) (in millions of euros)	12.31.2024	12.31.2023
Maximum negative variance in the fair value of derivatives	291	529
Maximum negative variance in the fair value including the change in the fair value of the contracts object of hedge and physics	110	243

(*) Value at Risk: is a statistical measurement of the maximum potential negative variance in portfolio's fair value in response to unfavorable market moves, within a given time horizon and confidence interval.

The decrease of the maximum variance in the fair value, compared with the level measured at December 31, 2023, is mainly attributable to the reduction of the volatility in commodity prices and to the reduction in the volumes of derivatives traded in the energy markets in which the Company operates.

The hedging strategy deployed during the year enabled the Group to comply with its risk management objectives; the Industrial Portfolio's commodity price risk profile within the approved limit of Economic Capital in terms of absorption of economic capital is the following:

Industrial portfolio Economic Capital absorbed	2024		2023	
	without derivatives	with derivatives	without derivatives	with derivatives
Average absorption of the approved limit of Economic Capital	53%	30%	91%	38%
Maximum absorption	109% - Jan.'24	54% - Feb.'24	221% - Jan.'23	80% - Jan.'23

Please note that Edison Spa's trading operations are conducted under the joint venture agreement with EDF Trading. Effective January 1, 2023, the agreement that had been in force since September 2017 between EDF Trading and Edison Spa (formerly Edison Trading Spa merged into Edison Spa on December 1, 2017), i.e. the MASA (Trading Joint Venture and Market Access Services Agreement) was renewed, which, like the previous agreement, governs both proprietary trading activities, carried out through a joint desk with EDF Trading, and access activities to the power forward market, the terms and conditions and costs of which have been revised.

4.1.2 Foreign exchange risk

The foreign exchange risk arises from the fact that part of the activities of the Edison Group are carried out in currencies other than the euro or are influenced by changes in foreign exchange rates through contractual components indexed to a foreign currency. Revenues and expenses denominated in foreign currencies can be affected by fluctuations in foreign exchange rates that have an impact on sales margins (economic risk). Likewise, the amount of trade and financial payables and receivables denominated in foreign currencies can be affected by the translation rates used, with an impact on profit or loss (transactional risk). Lastly, fluctuations in foreign exchange rates have an impact on consolidated results and on the shareholders' equity attributable to Parent Company shareholders because the financial statements of subsidiaries denominated in a currency other than the euro are translated into euros from each subsidiary's functional currency (translational risk).

The foreign exchange risk management objectives are described in specific Policies. The exposure to economic and transaction risk arising from exchange rate, related to commodity transactions, is managed in accordance with specific limits and strategies (see the previous section in this regard).

4.2 Hedge Accounting and Economic Hedge – Fair Value hierarchy

Whenever possible, the Group applies hedge accounting verifying compliance with the requirements of IFRS 9.

4.2.1 Classification

Forward transactions and derivatives outstanding are classified as follows:

- 1) **Derivatives that qualify as hedges in accordance with IFRS 9.** This category includes (i) transactions that hedge the risk of fluctuations in cash flow (Cash Flow Hedge - CFH) on interest rates, exchange rates and commodity and (ii) transactions that hedge the fair value of the hedged item (Fair Value Hedge - FVH) on commodity (price and exchange rate).
- 2) **Forward transactions and derivatives that do not qualify as hedges in accordance with IFRS 9** that comply with the requirement of the company policies on management of exchange rate and energy commodity risks.

4.2.2 Fair Value hierarchy according to IFRS 13

The classification of financial instruments at fair value, provided by IFRS 13, based on the reliability of inputs used to measure it, is based on the following hierarchy:

- **Level 1:** Determination of fair value based on quoted prices (unadjusted) for identical assets or liabilities in active markets. Instruments with which the Edison Group operates directly in active markets (e.g. futures) are included in this category.
- **Level 2:** Determination of fair value based on inputs other than the quoted prices of "Level 1" but which are directly or indirectly observable (e.g. forward contracts or swaps in futures markets).
- **Level 3:** Determination of fair value based on valuation models with inputs not based on observable market data (unobservable inputs). At December 31, 2024, one category is classified at this level whose fair value is positive for about 2 million euros (one category at December 31, 2023 whose fair value was negative for about 1 million euros).

The valuation of financial instruments can entail significant subjective judgment. However, Edison uses prices quoted in active markets, when available, as the best estimate of the fair value of all derivatives.

4.3 Effects of derivatives transactions on income statement and balance sheet at December 31, 2024

4.3.1 Effects of derivatives transactions on income statement at December 31, 2024

(in million euros)	12.31.2024			12.31.2023		
	Realized	Change in Fair Value in the period	Amounts recognized in earnings at 12.31.2024	Realized	Change in Fair Value in the period	Amounts recognized in earnings at 12.31.2023
	(A)	(B)	(A+B)	(A)	(B)	(A+B)
Result from price risk and exchange risk hedges for commodities of which:						
Total definables as hedges pursuant to IFRS 9 (CFH) (*)	(31)	(22)	(53)	(107)	30	(77)
Price risk hedges for energy products	(36)	(22)	(58)	(105)	30	(75)
Exchange risk hedges for commodities	5	-	5	(2)	-	(2)
Total definables as hedges pursuant to IFRS 9 (FVH)	1,065	9	1,074	1,549	(19)	1,530
Price risk hedges for energy products	1,060	(408)	652	1,520	699	2,219
Exchange risk hedges for commodities	5	18	23	29	(41)	(12)
Fair value physical contracts	-	399	399	-	(677)	(677)
Total not definables as hedges pursuant to IFRS 9	(699)	9	(690)	(1,091)	(7)	(1,098)
Price risk hedges for energy products	(711)	9	(702)	(1,124)	(7)	(1,131)
Exchange risk hedges for commodities	12	-	12	33	-	33
Total price risk and exchange risk hedges for commodities	335	(4)	331	351	4	355
TOTAL INCLUDED IN EBIT	335	(4)	331	351	4	355
Result from interest rate hedges:						
Definables as hedges pursuant to IFRS 9 (CFH)	-	-	-	-	-	-
Not definables as hedges pursuant to IFRS 9	-	-	-	-	-	-
Total interest rate hedges (A)	-	-	-	-	-	-
Result from exchange rate hedges:						
Definables as hedges pursuant to IFRS 9 (CFH)	26	-	26	(25)	-	(25)
Not definables as hedges pursuant to IFRS 9	-	-	-	-	-	-
Total exchange rate hedges (B)	26	-	26	(25)	-	(25)
TOTAL INCLUDED IN FINANCIAL ITEMS (A+B)	26	-	26	(25)	-	(25)

(*) Includes the ineffective portion.

Specifically with regard to the derivatives results recorded in 2024, the general increase in the prices of all of the commodities had a negative effect on the value of hedging financial derivatives.

On the results of 2024 had also a negative impact the effects deriving from the postponement of the start of a long-term gas import contract from the United States.

The economic results of the operations managed in compliance with MASA joint venture agreement with EDF Trading – so-called Profit Sharing – aren't included in the table above because are recorded in the item 'Other revenues and income' (positive for about 12 million euros in 2024, 16 million euros in 2023).

Focus on Net change in fair value of derivatives (commodity and exchange rate risk)

The table below provides the 2024 and 2023 effects on the income statement from the changes in the fair value of the derivatives (commodity and foreign exchange rate), negative for 4 million euros and positive for 4 million euros respectively (please see line "Total included in EBIT" with interception with columns B in the previous table).

Net change in fair value of derivatives (commodity and exchange rate risk) (in million euros)	Definable as hedges (CFH) (*)	Definable as hedges (FVH)	Not definable as hedges	Total net change in fair value
2024				
Hedges of price risk on energy products	(22)	(408)	9	(421)
Hedges of foreign exchange risk on commodities	-	18	-	18
Change in fair value in physical contracts (FVH)	-	399	-	399
Total 2024	(22)	9	9	(4)
2023				
Hedges of price risk on energy products	30	699	(7)	722
Hedges of foreign exchange risk on commodities	-	(41)	-	(41)
Change in fair value in physical contracts (FVH)	-	(677)	-	(677)
Total 2023	30	(19)	(7)	4

(*) It refers to the ineffective portion.

We remind that the Group extensively applies hedge accounting, through both Cash Flow Hedge and Fair Value Hedge operations, and that principle IFRS 9, which entered into force starting from January 1, 2018, changed these amendments, also modifying the rules of the accounting hedge relationships approaching the logics of recognition to those of risk management, consequently reducing the volatility effects.

4.3.2 Effects of derivatives transactions in balance sheet at December 31, 2024

The following table shows Fair Value breakdown recorded in balance sheet and gives its classification according to IFRS 13.

(in million euros)	12.31.2024			12.31.2023		
Broken down as follows:	Receivables	Payables	Net	Receivables	Payables	Net
- Financial assets (liabilities)	-	-	-	-	-	-
- Non-current assets (liabilities)	51	(22)	29	181	(152)	29
- Current assets (liabilities)	534	(637)	(103)	1,037	(1,256)	(219)
Fair Value recognized as assets or liabilities (a)	585	(659)	(74)	1,218	(1,408)	(190)
of which of (a) related to:						
- Interest Rate Risk Management	-	-	-	-	-	-
- Exchange Rate Risk Management	66	(3)	63	29	(21)	8
- Commodity Risk Management	407	(592)	(185)	1,112	(959)	153
- Fair value on physical contracts	112	(64)	48	77	(428)	(351)
Broken down on fair value hierarchy:						
- Level 1	28	(44)	(16)	51	(60)	(9)
- Level 2	555	(615)	(60)	1,167	(1,347)	(180)
- Level 3 (*)	2	-	2	-	(1)	(1)
IFRS 7 potential offsetting (b)	(102)	102		(244)	244	
Net Fair Value including potential offsetting (a+b)	483	(557)	(74)	974	(1,164)	(190)

(*) The fair value classified at level 3 is recognized for 2 million euros in Cash Flow Hedge reserve (-1 million euros in Cash Flow Hedge reserve at 12.31.2023)

It is worth of mentioning that, as a counterpart of assets and liabilities shown above, a positive Cash Flow Hedge reserve by 12 million euros, gross of deferred-tax assets and liabilities, was recorded in the shareholders' equity. For more information, please refer to paragraph 6.1 Shareholders' equity.

Instruments outstanding at December 31, 2024

The tables that follow provide an illustration of the information listed below:

- fair value hierarchy;
- derivatives that were outstanding, classified by maturity;
- the value at which these contracts are reflected on the balance sheet, which is their fair value.

1) Interest rate and foreign exchange rate risk management

(in million euros)	Fair Value hierarchy (**)	Notional amount (*)								Balance sheet value at 12.31.24 (**)	Notional amount at 12.31.23 ^(*)	Balance sheet value at 12.31.23 ^(**)
		due within 1 year		due between 2 and 5 years		due after 5 years		Total				
Interest rate risk management:												
- Cash Flow Hedge pursuant to IFRS 9	2	10		26		1		37		-	47	-
Total interest rate derivatives		10		26		1		37		-	47	-
		due within 1 year		due between 2 and 5 years		due after 5 years		Total			Total	
		receivable	payable	receivable	payable	receivable	payable	receivable	payable		receivable	payable
Foreign exchange rate risk management:												
A. Cash Flow Hedge pursuant to IFRS 9, broken down as follows:												
. on commercial transactions	2	944	-	128	-	-	-	1,072	-	42	648	4
. on financial transactions	2	-	-	-	-	-	-	-	-	-	170	(5)
B. Fair Value Hedge pursuant to IFRS 9, broken down as follows:												
. on commercial transactions	2	291	-	-	-	-	-	291	-	13	-	(5)
. on financial transactions	2	-	-	-	-	-	-	-	-	-	-	-
C. Contracts that do not qualify as hedges in accordance with IFRS 9, to hedge margins:												
. on commercial transactions	2	20	(78)	-	-	-	-	20	(78)	8	12	(27)
Total foreign exchange rate derivatives		1,255	(78)	128	-	-	-	1,383	(78)	63	830	(27)

(*) Represents the sum of the notional amounts of the basic contracts that would result from an unbundling of complex contracts.

(**) Represents the net receivable (+) or payable (-) recognized on the balance sheet following the measurement of derivatives at fair value.

(***) For the definition see the previous section 4.2.2. "Fair Value hierarchy according to IFRS 13."

2) Commodity risk management

	Fair Value hierarchy (***)	Unit of measure	Notional amount (*)			Total	Balance sheet value at 12.31.24 (**)	Notional amount at 12.31.23 ⁽¹⁾	Balance sheet value at 12.31.23 ⁽¹⁾
			Due within one year	Due within two years	Due after two years		(in millions of euros)	Total	(in millions of euros)
Price risk management for energy products									
A. Cash Flow Hedge pursuant to IFRS 9, broken down as follows:							(33)		86
- Electric power	2;3	TWh	(4.40)	(0.06)	-	(4.46)	(1)	131	3
- Natural Gas	1;2	Millions of therms	180.50	107.23	46.08	333.81	(34)	352.58	88
- LNG and oil	2	Millions of Barrels	3.20	-	-	3.20	(2)	2.21	(2)
- CO ₂	1	Millions of tons	2.93	0.38	-	3.31	14	180	(3)
B. Fair Value Hedge pursuant to IFRS 9, broken down as follows:							(59)		348
- Natural Gas	2	Millions of therms	(203.45)	-	-	(203.45)	(33)	(494.10)	379
- LNG and oil	2	Millions of Barrels	3.76	-	-	3.76	(26)	4.92	(31)
C. Contracts that do not qualify as hedges pursuant to IFRS 9, to hedge margins:							(93)		(281)
- Electric power	2	TWh	-	-	(0.01)	(0.01)	4	0.18	1
- Natural Gas	1;2	Millions of therms	(135.42)	(22.21)	-	(157.63)	(97)	86.88	(282)
- LNG and oil	2	Millions of Barrels	-	-	-	-	-	0.16	-
- CO ₂	1	Millions of tons	-	-	-	-	-	-	-
- Other commodities	2	Millions of tons	-	-	-	-	-	0.15	-
TOTAL							(185)		153

⁽¹⁾ + for net purchases, - for net sales.

⁽²⁾ It represents the net receivable (+) or payable (-) recognized on the balance sheet following the measurement of derivatives at fair value.

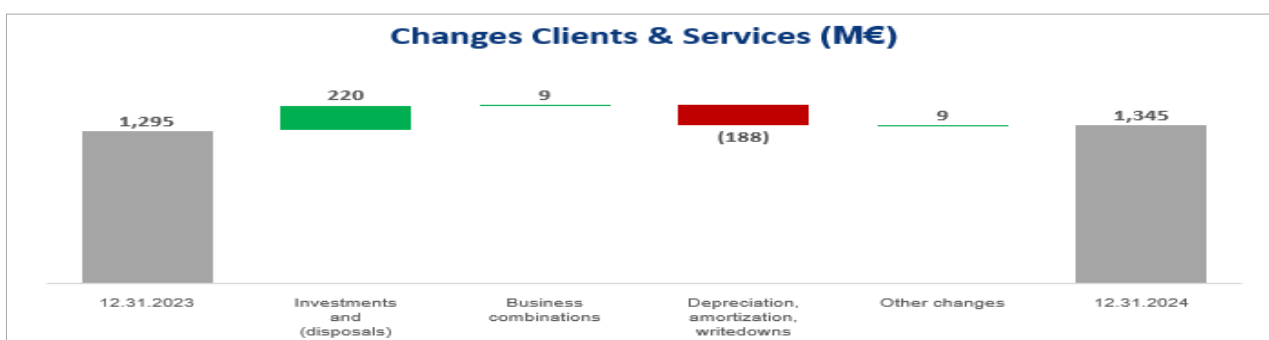
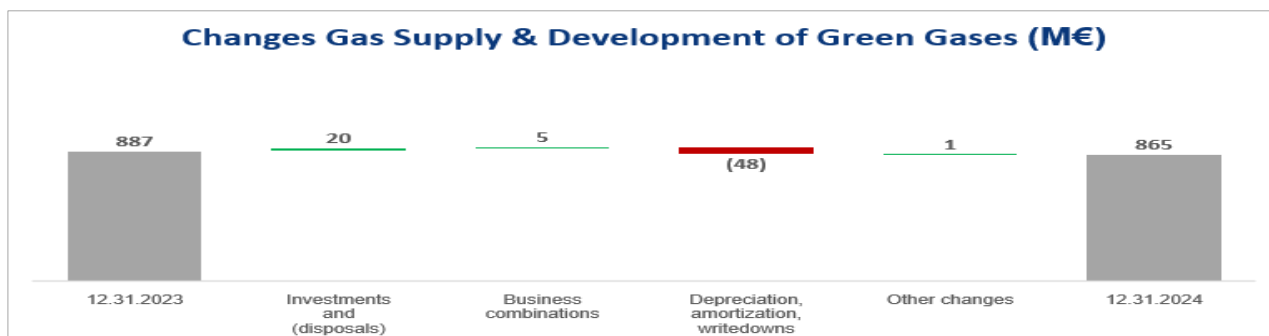
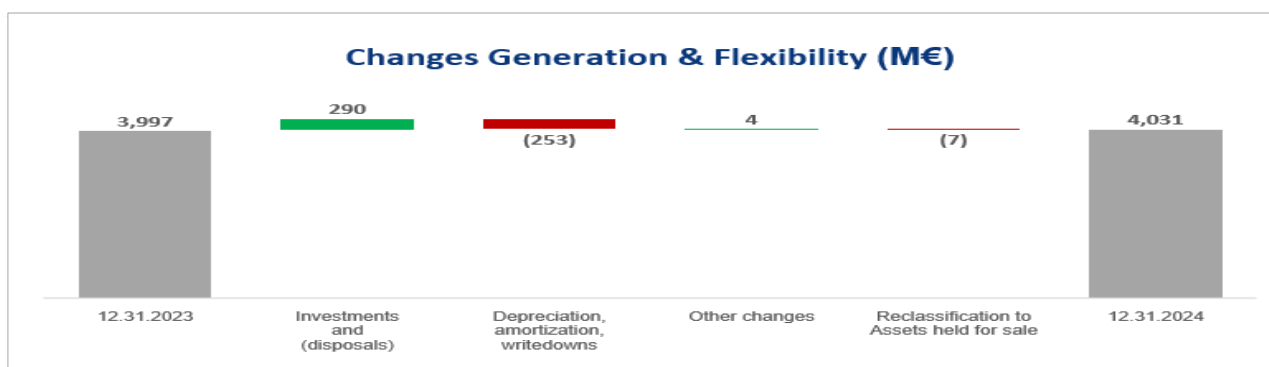
⁽³⁾ For the definition see the previous section 4.2.2. "Fair Value hierarchy according to IFRS 13".

The Derivatives in "level 3" include one category of instruments whose fair value is positive for about 2 million euros recognized in CFH reserve (one category at December 31, 2023 whose fair value was negative for about 1 million euros recognized in CFH reserve), that concern hedges classified as Cash Flow Hedges implemented to reduce price risk on Italian electricity market. Their evaluation is based on models depending on past data which simulate the national market mechanism.

5. Fixed assets, Financial assets and Provisions

5.1 Tangible, intangible assets and goodwill

Tangible, intangible assets and goodwill (in millions of euros)	Property, plant and equipment	Intangible assets	Goodwill	Total
Balance at 12.31.2023 (A)	3,811	387	2,107	6,305
Changes in 2024:				
- investments	394	181	-	575
- business combinations	2	-	12	14
- disposals (-)	(29)	-	-	(29)
- depreciation and amortizations (-)	(374)	(124)	-	(498)
- writedowns (-)	(18)	-	(6)	(24)
- other changes	95	(69)	(6)	20
- reclassification to Assets held for sale (-)	(14)	-	-	(14)
Total changes (B)	56	(12)	-	44
Balance at 12.31.2024 (A+B)	3,867	375	2,107	6,349



Commitments on fixed assets

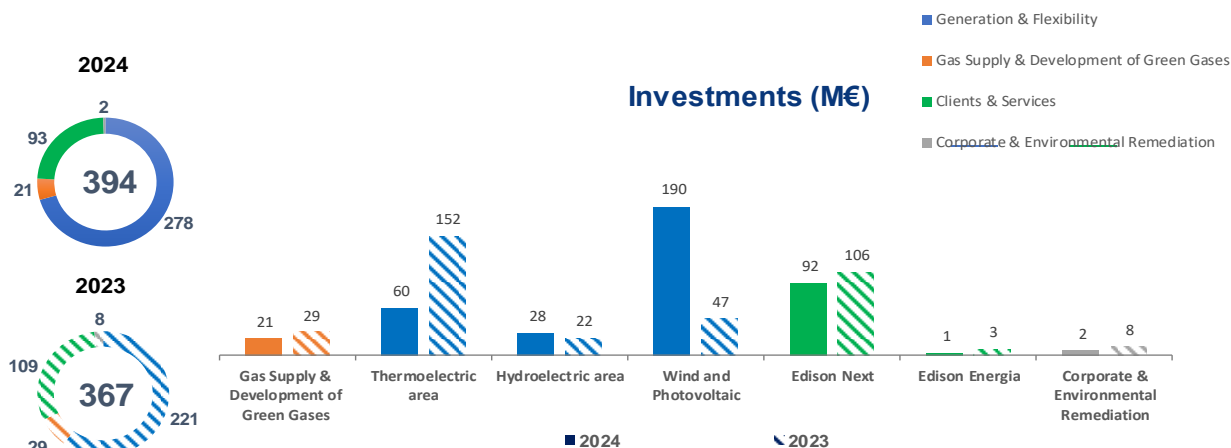
Total commitments amount to about 198 million euros (115 million euros at December 31, 2023) and mainly include investments in progress in Italy, of which 155 million euros linked to the development of projects in the wind and photovoltaic sectors and 41 million euros linked to thermoelectric and hydroelectric power plants. Concerning the commitments relating to the activities of Edison Stocaggio, reference should be made to the comments set out in paragraph 9.3.

5.1.1 Property, plant and equipment

Property, plant and equipment (in millions of euros)	Land and buildings	Plant and machinery	Assets transferable at no cost	Assets under leases IFRS 16 (*)	Other assets	Construction in progress and advances	Total
Balance at 12.31.2023 (A)	349	2,272	80	373	15	722	3,811
Changes in 2024:							
- investments	56	74	3	-	4	257	394
- business combinations	1	1	-	-	-	-	2
- disposals (-)	(7)	(18)	-	-	(3)	(1)	(29)
- depreciation and amortization (-)	(18)	(276)	(15)	(58)	(7)	-	(374)
- writedowns (-)	(2)	(3)	-	-	-	(13)	(18)
- other changes	57	628	7	12	14	(623)	95
- reclassification to Assets held for sale (-)	(10)	(2)	-	-	-	(2)	(14)
Total changes (B)	77	404	(5)	(46)	8	(382)	56
Balance at 12.31.2024 (A+B)	426	2,676	75	327	23	340	3,867

(*) Recorded as required by IFRS 16; related financial debt is exposed in "Non-current financial debt" (240 million euros) and in "Current financial debt" (53 million euros)

Investments



Investments related to the segment **Generation & Flexibility** mainly include:

- construction of new plants in the wind and photovoltaic sectors;
- extraordinary maintenance performed on gas-fired combined-cycle thermoelectric power plants (it should be noted that 2023 included works for the completion of Presenzano plant) and on some hydroelectric power plants.

Investments in the business area **Clients & Services** refer mainly to the activities of Edison Next for the construction of cogeneration plants, in particular Michelin, and photovoltaic plants for new customers. In addition, industrial plants were built for historical customers and work is in progress on new district heating networks.

As regards the segment **Gas Supply & Development of Green Gases**, investments mainly concern biomethane plants and the development of Small Scale LNG. Please remind that in 2023 there were also included investments related to E&P activities in Algeria, until their disposal.

The item business combinations is referred to the acquisition of the company Eli Frascetta Energia.

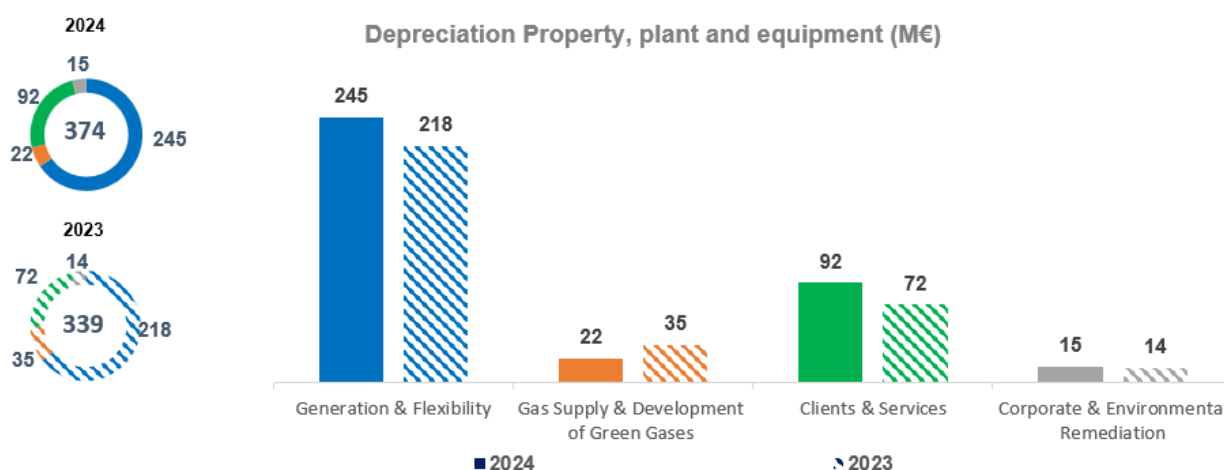
The item disposals mainly refer to the sales of some assets owned by Edison Next in Poland.

The item other changes mainly refer to the reclassification made during the year from Construction in progress and advances to other items as well as some reclassifications from intangible assets.

The item reclassification to assets held for sale refers to the reclassification as disposal group pursuant to IFRS 5 of the assets of the Sesto San Giovanni activities (for further information, please refer to paragraph 9.2 Information pursuant to IFRS 5).

For further information on **writedowns**, equal to about 18 million euros, please refer to what commented in the next section 5.1.4 Impairment test in accordance with IAS 36.

Depreciation



5.1.2 Intangible assets

Intangible assets (in millions of euros)	Concessions, licenses, patents and similar rights	Other intangible assets	Work in progres and advances	Total
Balance at 12.31.2023 (A)	65	265	57	387
Changes in 2024:				
- investments	27	112	42	181
- amortization (-)	(32)	(92)	-	(124)
- other changes	11	(41)	(39)	(69)
Total changes (B)	6	(21)	3	(12)
Balance at 12.31.2024 (A+B)	71	244	60	375

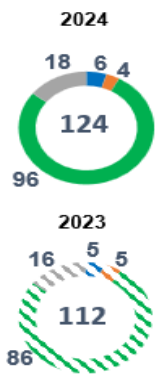
Investments

The investments amount to **181 million euros** and mainly concern:

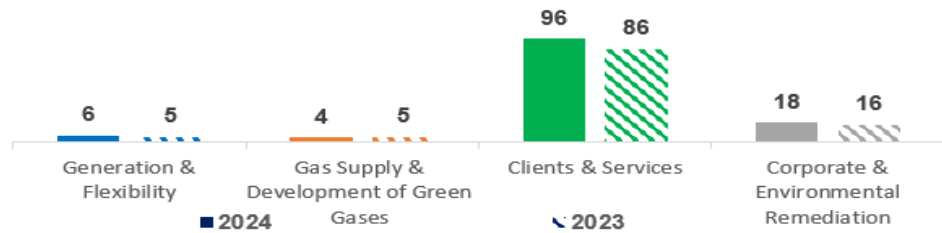
- the capitalization under the item Other intangible assets of incremental costs of obtaining new contracts in the commercial sector, for about 109 million euros;
- interventions mainly concerning the development of new software applications and licenses, related to business evolution.

The item other changes mainly refer to the reclassification made to property, plant and equipment.

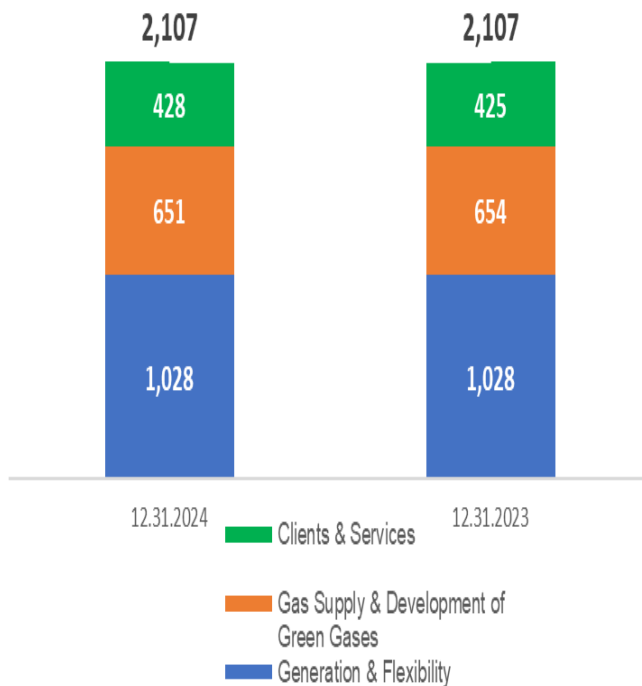
Amortization



Amortization of intangible asset (M€)



Goodwill (M€)



5.1.3 Goodwill

The increase of goodwill of **Clients & Services** is mainly due to the goodwill recorded as a result of the acquisition of the companies Instalaciones Ecoclima (7 million euros) and Consistrol Alvarez y Asociados (2 million euros); this is partially offset by the reduction, for about 5 million euros, of the amount allocated to the company Prometheus Energia, as a consequence of the completion of the PPA process.

The decrease of the goodwill of **Gas Supply & Development of Green Gases** is due to the writedowns, for an amount of about 6 million euros; this is partially offset by the goodwill recorded as a result of the acquisition of the company Eli Fraschetta Energia, for an amount of 3 million euros.

For further information on PPA please see paragraph 9.1 Information on business combinations.

The residual balance in this account is an intangible asset with an indefinite useful life and, as such, it cannot be amortized in regular installments, but must be tested for impairment at least once a year.

Following the redefinition under IFRS 8 of new operating segments, the indistinct goodwill that was allocated to Electric Power Operations and Gas Operations at December 31, 2023 has been reallocated to the three business areas Generation & Flexibility, Gas Supply & Development of Green Gases and Clients & Services. For further information on the reallocation, as well as on the impairment test at December 31, 2024, please see what is commented in the next section 5.1.4 Impairment test in accordance with IAS 36.

5.1.4 Impairment test in accordance with IAS 36

As previously mentioned, in the 2024 Consolidated financial statements, the Group's Segment Information has been redefined in accordance with IFRS 8, replacing the historical operating segments, Electric Power Operations and Gas Operations, with three business areas: Generation & Flexibility, Gas Supply & Development of Green Gases and Clients & Services. This new breakdown, it should be recalled, is aligned with the Group's strategic axes and is consistent with the current management reporting.

The impairment process was structured in line with this new representation and in particular:

- The CGU were re-analyzed for the purpose of impairment test of assets with some non-material changes between and within Businesses; it should be noted *inter alia* that the new Hydrogen and Biomethane CGU has been identified, and the green gases development activity has been included in it;
- the first-level goodwill impairment test was performed using the three new business areas as CGU, the second-level impairment was then performed to assess the value of the Group as a whole;
- as a preliminary to the tests in the previous point, taking into account that the value of goodwill includes an indistinct component that was allocated partly to Electric Power Operations and partly to Gas Operations, analyses were carried out to reallocate the value to the new business areas in accordance with IAS 36, paragraph 87 as described below.

Reallocation of indistinct goodwill to new business areas

Paragraph 87 of IAS 36 states "If an entity reorganises its reporting structure in a way that changes the composition of one or more cash-generating units to which goodwill has been allocated, the goodwill shall be reallocated to the units affected. This reallocation shall be performed using a relative value approach similar to that used when an entity disposes of an operation within a cash-generating unit, unless the entity can demonstrate that some other method better reflects the goodwill associated with the reorganised units".

In accordance with this accounting standard and also with the support of an independent expert, indistinct goodwill, amounting to 1,853 million euros of the total 2,107 million euros, was allocated, taking into account relative values:

- for 926 million euros, to the Generation & Flexibility business area;
- for 649 million euros, to the Gas Supply & Development of Green Gases business area;
- for 278 million euros, to the Clients & Services business area.

The goodwill impairment exercise was also performed for the situation at December 31, 2023, taking as a reference the accounting values of the three CGU, determined for the comparative purposes of the Segment Information and including the same portion of allocated indistinct goodwill, and no critical issues emerged from this test.

A test was also performed on the 2024 data represented, as in the 2023 Consolidated financial statements, by the two historical operating segments, Electric Power Operations and Gas Operations; again, the test did not reveal any critical issues.

Impairment test 2024

During the year, total write-downs of about 24 million euros were recorded (9 million euros net write-downs in the previous year), of which 22 million euros related to the Gas Supply & Development of Green Gases business area and 2 million euros to the Generation & Flexibility business area. Write-downs had an impact of 18 million euros on tangible assets and 6 million euros on goodwill.

The results of the test and the sensitivities carried out are commented below, while for the methodology used, please refer to as fully described in chapter 10. Criteria and methods, in paragraph 10.2 - section 10.2.1.

During the year, assets impairment testing was performed on 20 CGU; only one CGU was found to be critical, the results are presented in the following table.

Segment/CGU	Main impairment indicators	WACC	Writedowns (in million euros)
Gas Supply & Development of Green Gases			
Hydrogen and Biomethane	FORSU Scenario: the biomethane business plan has been strongly revised downwards due to falling solid waste prices	7.7%	9 *
Total writedowns from impairment			9

* of which 6 million euros related to goodwill and 3 million euros to tangible assets

Additional writedowns of 15 million euros were also recognized, referring:

- . for 13 million euros to tangible assets in progress;
- . for 2 million euros to a land pertaining to the thermoelectric sector.

The global macroeconomic context related to the geopolitical crisis, inflation and fluctuating commodity prices was dynamic and changing also in 2024, while interest rates showed a gradual decline from the previous year.

The main assumptions used in the test are as follows:

- In preparing the reference scenario for the Italian electricity market, in continuity with last year's test, account was taken of the results of the electricity generation capacity remuneration tenders (so-called Capacity Payments), which were held in July and December in respect of allocations for the years 2025 and 2026; for subsequent years, prudential tariffs, compared to those currently recognized, were estimated based on the remaining useful life of the assets (with the exception of new thermoelectric plants, for which a period of no more than 15 years was assumed).
- As far as hydroelectric concessions are concerned, it was assumed that expired or expiring concessions would be extended until 2025, taking into account the extension provided for by Law 118/2022 "Annual market and competition law 2021"; given the uncertain context regarding reallocation tenders, compensation values were estimated on the basis of the residual value of so-called dry works.
- With reference to the business area Clients & Services, an assumption was made for the organic growth of the Retail business and the evolution of the Service contracts in the portfolio was estimated.
- The WACC used in the 2024 impairment test are lower for most CGU than those used last year, mainly due to lower interest rates. The WACC reference values are 7.2% for the Generation & Flexibility business area (7.7% in 2023 with the same business area configuration), between 7.7% and 10.2% for the Gas Supply & Development of Green Gases business area (between 9.0% and 10.9% in 2023 with the same business area configuration, with the exception of the new CGU Hydrogen and Biomethane) and between 6.3% and 9.7% for the Clients & Services business area (between 7.0% and 9.3% in 2023 with the same business area configuration).

Specifically for the goodwill test, in addition to the hypotheses set out above, a long-term growth rate between 0 and 1.5% was assumed in determining the terminal value, depending on the peculiarities of the individual businesses of the Group. In particular a zero growth rate was adopted for the activities of the Clients & Services CGU.

Overall, the recoverable amount of goodwill is higher than the carrying value, both for the three business areas and for the Group as a whole.

To support the analyses developed from the test, sensitivity analyses were also conducted to highlight the impact on the recoverable amounts of the assets and goodwill of changes in specific assumptions. In particular, the theoretical impact was analysed of the non-renewal of the capacity remuneration mechanism (so-called Capacity Payment) at the end of the periods in which Edison is already an assignee (2027 for existing plants and after 15 years for new plants).

Sensitivity was performed with all other scenario conditions being equal. The overall impact on the recoverable amount of the CGU Generation & Flexibility is a reduction of about 200 million euros without any evidence of writedowns.

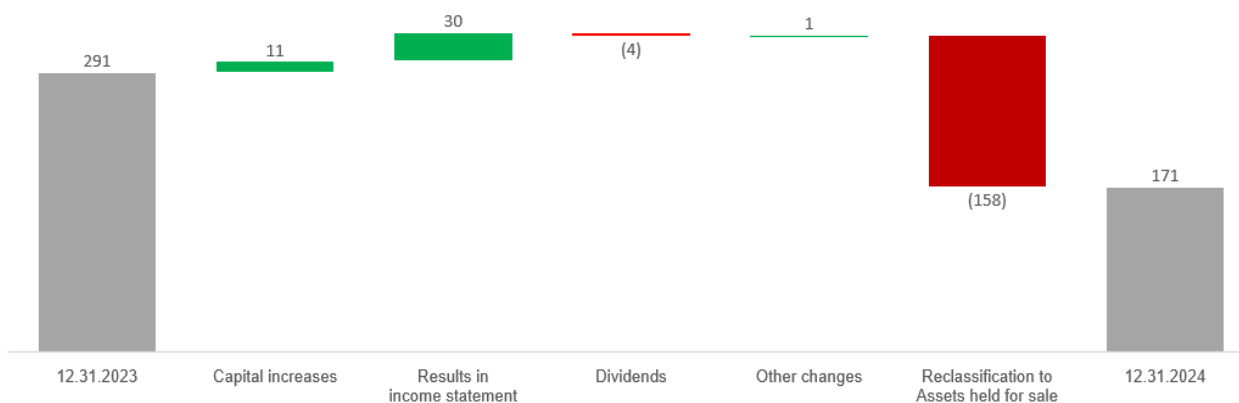
A further simulation was also carried out assuming the non-renewal of hydroelectric concessions upon their expiry, considering the repayment of the so-called dry works by the successor; also in this case the recoverable amount of the CGU Generation & Flexibility is in reduction but without any evidence of writedowns.

With regard to goodwill, certain key variables were tested using Montecarlo simulations to identify the recoverable value. In addition to determining the reference recoverable value, the simulation allows to quantify the possible deviations from this value associated with oscillations in the variables considered and the probability of those changes. Considering a reasonable range, the Group's recoverable value would have a relative change, however, marginal (in the range between +/- 2.5%) equal to about 200 million euros and without impact on writedowns.

5.2 Equity investments and Other financial assets

5.2.1 Investments in companies valued by the equity method

The change during the year is reported below.



The item **Capital increases** refers for an amount of 8 million euros to the subscription of two capital increases in the company Wind Energy Pozzallo.

The **results in income statement** mainly refer to the company Elpedison, whereas the **dividends** mainly refer to the company Nyox.

The item **Reclassification to Assets held for sale** refers to the 50% stake in the capital of Elpedison BV, recorded as disposal group pursuant to IFRS 5 (for further information, please refer to paragraph 9.2 Information pursuant to IFRS 5).

5.2.2 Other financial assets and Assets for financial leasing

The **Other non-current financial assets** amounted to 95 million euros (89 million euros at December 31, 2023) and include mainly:

- for 66 million euros (58 million euros at December 31, 2023) assets booked by Edison Next Government in accordance with IFRIC 12 (financial asset model);
- for 9 million euros (10 million euros at December 31, 2023) the financial receivable of Edison towards the company Depositi Italiani GNL (DIG) referring to a shareholders loan granted in 2020 expiring in 2036;
- for 6 million euros (unchanged compared to December 31, 2023) the investment in the FPCI Electranova - Iinvest Smart City Venture Fund, which concentrates on unlisted companies experiencing rapid growth (from the initial phase to the advanced phase) in the Energies & Cities sector, primarily at EU level. This investment is measured at fair value and during 2024 no significant changes in fair value were recognized in the income statement.
- for 1 million euros restricted bank deposits (unchanged compared to December 31, 2023).

The **Assets for financial leasing** amount to 32 million euros (15 million euros at December 31, 2023); the increase is mainly due to the recognition of assets related to contracts stipulated by the subsidiary Edison Next Spain.

Furthermore, at December 31, 2024, an additional amount of 22 million euros (17 million euros at December 31, 2023), almost entirely relating to the current portion of the assets booked by Edison Next Government in accordance with IFRIC 12, was recognized in **Current financial assets**.

The results of equity investments reflected in the income statement are broken down below:

Income from (Expense on) equity investments (in millions of euros)	2024	2023	Change
Investments valued by equity method	30	46	(16)
Capital gain	-	7	(7)
Others	-	-	-
Income from (Expense on) equity investments	30	53	(23)

The item Capital gain in 2023 included a deferred amount collected during the year and related to the sale, finalized in 2017, of the 7.3% stake in Terminale GNL Adriatico.

Commitments

Guarantees amounting to about 91 million euros (115 million euros at December 31, 2023), provided by Edison to financial institutions in the interest of Elpedison, were recognized.

5.3 Provisions for risks and employee benefits

(in millions of euros)	12.31.2023	Additions	Utilizations	Financial expenses	Other changes	Reclassification to liabilities held for sale	12.31.2024
Employee benefits	33	-	(2)	1	-	-	32
Provisions for decommissioning and remediation of industrial sites	127	-	(2)	5	2	(3)	129
Provisions for risks and charges	171	41	(33)	-	3	(5)	177
Total	331	41	(37)	6	5	(8)	338

5.3.1 Employee benefits

Reflect the accrued severance indemnities and other benefits owed to employees at the end of the year.

The actuarial (gains) losses are recorded in equity. The evaluation in accordance with the actuarial criteria of IAS 19 is performed only for the liability for Employee Severance Indemnities that is still held at the company.

5.3.2 Provisions for decommissioning and remediation of industrial sites

Include the valuation, discounted to the reporting date, of the decommissioning costs that the Group expects to incur for operating industrial sites. The changes during the year reflect mainly: (i) the utilizations made to cover decommissioning costs incurred during the year; (ii) the increase for the discounting effect, under the income statement item 'Other net financial income (expense)'; (iii) the recognition of a new provision resulting in an increase in the fixed assets accounted in the item 'Plant and machinery'.

5.3.3 Provisions for risks and charges

These refer to provisions of a purely industrial nature for the various areas in which the Group operates.

At December 31, 2024 the amount also include provisions of about 23 million euros referred to onerous contracts of the activities of Edison Next.

The amounts shown in the table under the item Reclassification to liabilities held for sale refer to the reclassification of provisions attributable to Sesto San Giovanni activities (please see paragraph 9.2 Information pursuant to IFRS 5).

These reflect, *inter alia*, the valuation of **probable liabilities** linked to some disputes for which it was possible to reliably estimate the underlying expected obligation, even though the timing of any resulting monetary outlay cannot be objectively predicted.

Edison Spa - Disputed municipal property taxes (ICI and IMU) and assessed property values of hydroelectric and thermoelectric power plants

With reference to the disputes underway with the Municipality of Piateda concerning the hydroelectric plants located within the municipality's territory, in 2023, payment was made of the higher amount of ICI tax with related interest for the years from 2003 to 2005 and for 2008, following a final sentence issued by the Court of Cassation, which however annulled the penalties. In the first months of 2024, the payment of the higher taxes, penalties and interest due on the basis of the latest rulings for the years after 2008 and before 2016 was made. The disputes still open, which are having a positive development for the Company, are related to the years after 2016 for cadastral annuities post "bolted down" regulation; the eventual charge is entirely covered by the existing provisions for risks.

Edison Energia Spa – Electric power additional charges reimbursement

Following some recent sentences of the Court of Cassation, which established the illegitimacy of the electric power additional charges, a significant number of reimbursement application for these additional charges, already suppressed in 2012, has been sent towards Edison Energia by customers active in the years 2010 and 2011, for which there are pending disputes for about 21 million euros.

Edison Energia, just like all the others electric power companies, has always collected and deposited to the tax authority the additional charges established by the regulations in force at the time and therefore every reimbursement owed to the customers has to find a corresponding right for the supplier to recover the same amounts from the tax authority. The company is managing current litigation before civil courts with uneven outcomes. Following final recognition of the amount owed to the customer by the civil judge, the company reimburses the client and initiates the request for reimbursement to the tax authorities, which in some cases have in turn recognized the reimbursement; where necessary, litigation is initiated before the Tax Courts.

A provision for risks has been set up in connection with the fact that some of the sums paid to customers as a result of civil judgments may not be fully recovered, depending on various factors (unfavorable outcomes of litigation with Customs/Provinces, waiver of reimbursement actions due to cost-effectiveness assessment, etc.).

5.4 Contingent assets and liabilities

Contingent assets

Benefit not recognized in financial statements as it is not virtually certain.

Edison Spa – Arbitration proceedings against Venture Global

In 2017, Edison signed a contract with the American company Venture Global LNG Inc to import liquefied natural gas from the United States. The conditions to commence deliveries under the agreement were met around the last quarter of 2022. However, in breach of its contractual obligations, Venture Global never started deliveries of LNG to Edison, preferring to sell this gas to other parties on the short-term wholesale markets. Faced with this decision, in May 2023 Edison began arbitration proceedings against the American company, claiming compensation of about 1,500 million USD. The arbitration

is currently underway at The London Court of International Arbitration (LCIA) and is expected to be concluded before the end of 2025.

Contingent liabilities

Not recognized in financial statements as they depend on the occurrence of events that are possible, but not probable, or are probable but their impact cannot be quantified reliably and are likely to result in a cash outlay of an amount that cannot reasonably be estimated.

Edison Energia Spa – Natural gas additional charges reimbursement

Along the same lines as the actions for reimbursement of additional electric power charges, some customers have made claims against Edison Energia for reimbursement of the regional additional charges on natural gas, still provided for by law and applied on their bills, within the time limits of the ordinary civil law statute of limitations (10 years). Of these requests, only two files have reached the judicial stage at the moment.

On the merits, the issue is controversial, so much so that, at the moment, one of the cases has resulted in a favorable outcome for the company and one has resulted in an unfavorable outcome.

In light of the evidence currently available, and in particular taking into account the development of case law on the subject, the most reasonable hypothesis is that, even if reimbursement is due, it should be requested from the Regions, and not from the suppliers.

Edison Energia Spa - AGCM litigation for alleged unfair practices

With regard to the litigation commenced in September 2016 to obtain the annulment of measure No. 26017 of the AGCM, relating to the PS/9541 investigation commenced by the same AGCM against Edison Energia for alleged unfair commercial practices in the sale of electric power and natural gas, the Lazio Regional Administrative Court by ruling No. 15321/2022, published on November 18, 2022 partially upheld the appeal filed by the company, reducing the fine from 1,725,000 euros to 500,000 euros. As part of the appeal proceedings brought by the Authority, in January 2024 the Council of State published its judgement definitively upholding the Lazio Regional Administrative Court's ruling and, with it, the substantial reduction of the fine. Edison Energia has already initiated procedures to recover the amounts.

On April 6, 2022 Edison Energia received from the Italian Antitrust Authority the notice of initiation of an investigation for alleged misleading advertising and unfair commercial practices in relation to part of the commercial communication used by the company in the promotional campaign for its Edison Sweet offer.

The Authority's censures concerned, in particular, alleged non-compliance of the Company's web pages with the regulations on the advertising of offers relating to electricity and gas commodities, as well as the alleged unfairness of certain claims used in the advertising campaign circulated in March 2022 on the main national media.

The investigation concluded with the imposition of an administrative fine of 3,800,000 euros.

Edison Energia considers the fine to be unfair and, in any case, disproportionate in its amount and has appealed to the Lazio Regional Administrative Court to have it annulled. In August 2023, the ruling was published in which the Regional Administrative Court rejected the company's appeal. Edison Energia has appealed the decision before the Council of State and the hearing is scheduled to take place on April 3, 2025.

On December 13, 2022, the Italian Antitrust Authority notified the company, together with 6 other leading energy operators, of two measures concerning unfair commercial practices.

With the first, the Authority ordered the initiation of a proceeding concerning the application of article 3 of Decree-Law No.115/2022, the so-called "Aiuti-Bis" decree, which established a moratorium on unilateral contract amendments with reference to economic supply conditions for the period from August 2022 to April 30, 2023.

The second measure consists of an injunction to suspend the renewals of expired or expiring contracts with the obligation for the company to continue to apply the previous economic conditions until the end of the moratorium, April 30, 2023.

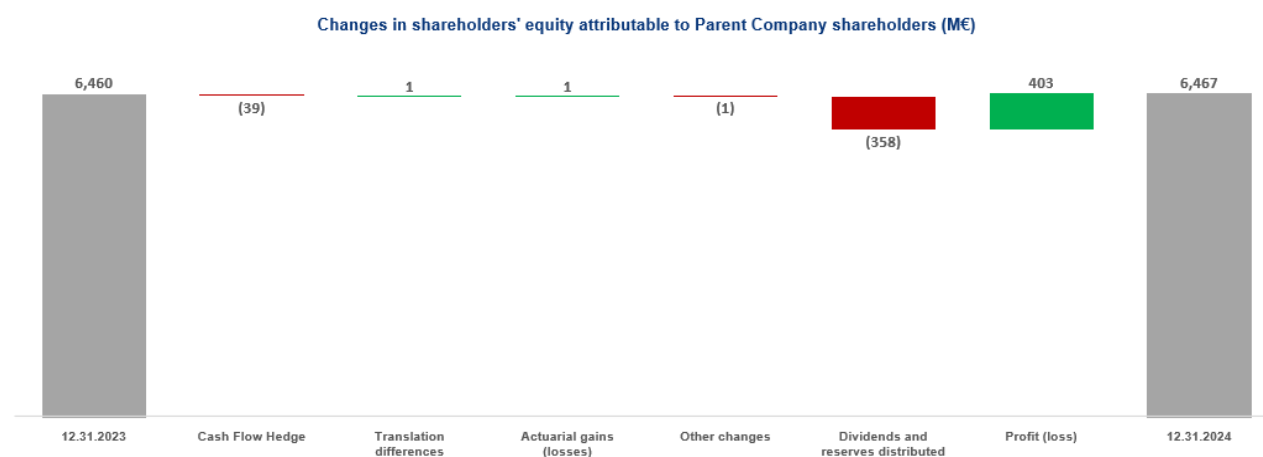
The company lodged an appeal against the protective measures imposed by the Authority: in August 2023, the Lazio Regional Administrative Court published its ruling annulling the protective measures. The precautionary proceedings are currently pending before the Council of State.

At the same time, the proceedings for alleged unfair commercial practices continued to ascertain the correctness of the company's conduct: on November 15, 2023 the Authority published its decision whereby, while ascertaining the company's virtuous conduct, which neutralized any negative consequences for consumers who suffered prejudice in the renewal procedures, it penalized the company with a symbolic fine of 5,000 euros. However, the company decided to appeal the sanction measure in order to ascertain that its conduct was entirely correct. The first instance proceeding is still pending before the Regional Administrative Court.

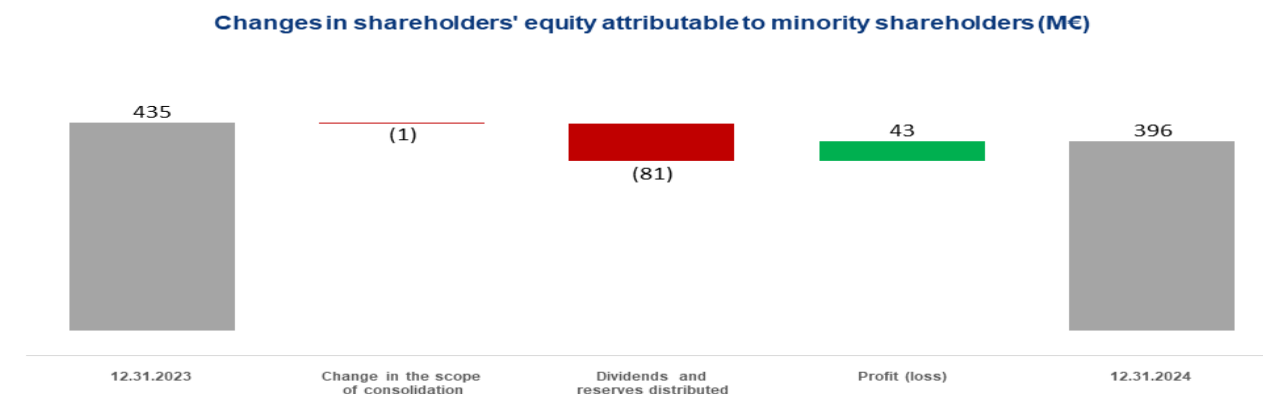
6. Shareholders' equity, Financial debt and cost of debt

6.1 Shareholders' equity

The main changes that occurred during the year in shareholders' equity attributable to the shareholders of the Parent Company and in net equity attributable to minority shareholders are presented below. A breakdown of the shareholders' equity attributable to Parent Company shareholders and to minority shareholders is provided in the schedule entitled "Changes in consolidated shareholders' equity".



Edison Spa Shareholders' Meeting, held on March 27, 2024, resolved to allocate a portion of the profit for the year 2023, for a total amount of 311 million euros, as a dividend for savings and common shares, and to distribute to shareholders an additional amount of 47 million euros from the "retained earnings reserve". The total amount, which is equal to 358 million euros, showed in the item Dividends and reserves distributed was paid on April 24, 2024.



Regarding the changes in shareholders' equity attributable to minority shareholders, the item Dividends and reserves distributed refers to the distribution of dividends from the subsidiary Edison Rinnovabili to minority shareholders, paid in March 2024.

The table below provides a breakdown of the change that occurred in the Cash Flow Hedge reserve due to the adoption of IFRS 9 for the accounting of derivatives. The change refers to the provisional recognition in equity of the effective portion of derivatives executed to hedge price and foreign exchange risks on energy commodities and interest rate risk. The amounts recognized directly in equity will be reflected in the income statement concurrently with the economic effects produced by the hedged items.

Cash Flow Hedge reserve (in millions of euros)	Gross reserve	Taxes	Net reserve
Reserve at 12.31.2023	67	(18)	49
Change in the period	(55)	16	(39)
Reserve at 12.31.2024	12	(2)	10

The value of the reserve at December 31, 2024 is essentially related to the net fair value of the derivatives outstanding to hedge the commodity and foreign exchange risk associated with the formulas used both in sales and procurement contracts entered into by Edison to manage its physical and contractual assets.

6.2 Management of financial resources

Edison defines its financial strategy with the primary objective of guaranteeing the availability of financial resources at the best market conditions and, with the appropriate balancing, to support ordinary business management and the development of investments to sustain future growth.

For this purpose, Edison also, but not exclusively, relies on the controlling company EDF Sa to obtain loans in any technical form, to guarantee flexibility in liquidity and/or coverage of structural needs. For Edison, terms and conditions are in line with the best market conditions. This does not prevent the recourse to the market as better described below.

Concerning treasury, Edison dedicates one of its current bank accounts to a cash-pooling agreement with EDF Sa, which allows significant flexibility thanks to the availability of up to 199 million euros at competitive conditions.

Liquidity management is centralized at the level of Edison Spa, which directly manages the treasury of its Italian subsidiaries and coordinates the foreign subsidiaries, in both cases through intercompany current accounts and intra-group loans.

To support investment activities and cover working capital needs, Edison resorts to the market whenever specifically attractive opportunities of financing arise; for example, to cover investments Edison largely resorted to the loans granted by the European Investment Bank (EIB) which offers particularly convenient market conditions and period terms.

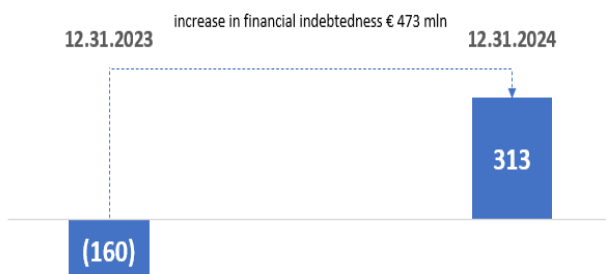
At December 31, 2024 Edison's credit rating is BBB with a positive outlook for Standard & Poor's and Baa3 with a stable outlook for Moody's.

6.3 Total financial indebtedness and cost of debt

Total financial indebtedness at December 31, 2024 records a debit of 313 million euros (liquidity of 160 million euros at December 31, 2023).

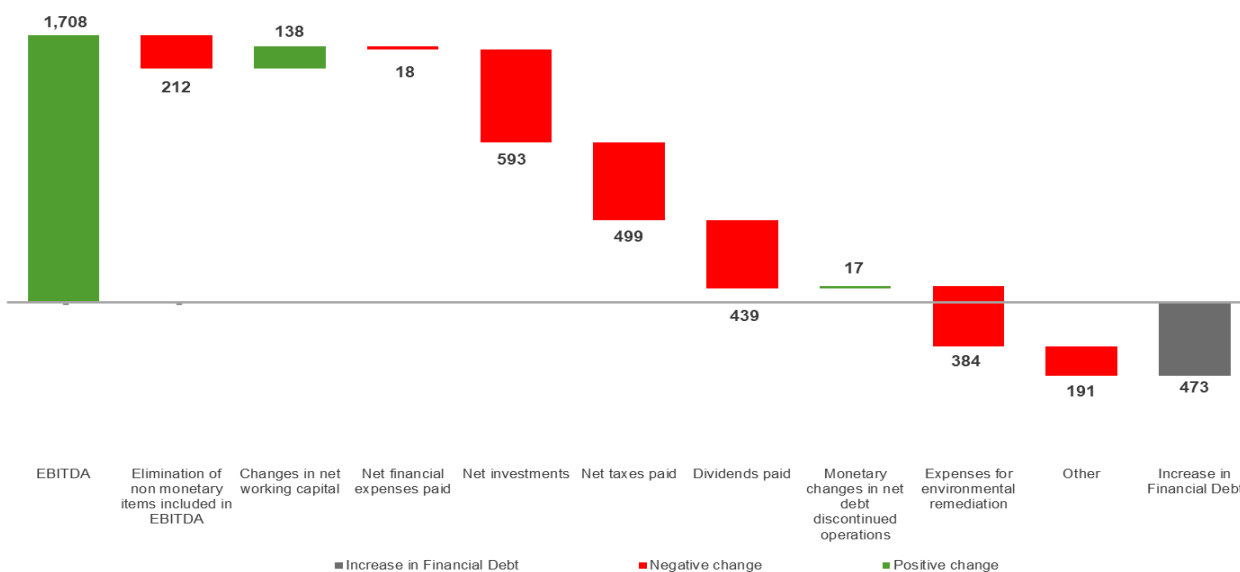
Change in financial debt

(in millions of euros)



An analysis of change in financial debt is reported below:

(in millions of euros)



The main cash flows of the year reflect the positive performance of operating activities described above, the payment of dividends, taxes (please refer to chapter 7. Taxation) and expenses for environmental remediation (non-Energy Activities) as well as net investments for 593 million euros, which include:

- net capital expenditures (555 million euros), mainly referred to thermoelectric sector (103 million euros), to renewables sectors (191 million euros), to Edison Next (99 million euros) as well as to Edison Energia (123 million euros) mainly related to incremental costs incurred to obtain new contracts;
- a positive effect of about 18 million euros, related to a non-recurring event;
- acquisition transactions which determined an increase of indebtedness of 8 million euros, related to the acquisition of the companies Consistrol Alvarez y Asociados (2 million euros), Eli Fraschetta Energia (4 million euros) and Instalaciones Ecoclima (2 million euros);
- the payment of earn-outs and other consideration related to acquisition transactions made in previous years for about 11 million euros;

- the subscription, for a total amount of 8 million euros, of two capital increases in the company Wind Energy Pozzallo, dedicated to development projects in off-shore wind power;
- net investments in other financial assets for 29 million euros, mainly related to financial lease assets and Edison Next Government assets accounted in accordance with IFRIC 12.

It should be noted that the item "Other", negative for 191 million euros, mainly refer to non-monetary items recognized under Other non-current liabilities including liabilities for environmental remediation (non-Energy Activities).

The following table gives the breakdown of Total financial indebtedness, as defined by ESMA Guidelines published on March 4, 2021 and which CONSOB requested to be adopted starting from May 5, 2021.

Total financial indebtedness (in millions of euros)	12.31.2024	12.31.2023	Change
Non-current financial debt	733	696	37
- Due to banks	492	416	76
- Due to EDF Group companies	-	-	-
- Debt for leasing	240	279	(39)
- Due to other lenders	1	1	-
Other non-current liabilities	220	39	181
Non-current financial indebtedness	953	735	218
Current financial debt (excluding current portion of non-current financial debt)	166	219	(53)
- Due to banks	23	117	(94)
- Due to EDF Group companies	22	11	11
- Debt for valuation of Cash Flow Hedge derivatives	-	-	-
- Due to other lenders	121	91	30
Current portion of non-current financial debt	120	126	(6)
- Due to banks	67	75	(8)
- Debt for leasing	53	51	2
Current financial assets	(114)	(132)	18
- Current financial assets from EDF Group companies	(3)	(4)	1
- Credit for valuation of Cash Flow Hedge derivatives	-	-	-
- Other current financial assets (*)	(111)	(128)	17
Cash and cash equivalents	(921)	(1,234)	313
Net current financial indebtedness	(749)	(1,021)	272
Net financial debt Assets held for sale	109	126	(17)
Total financial indebtedness	313	(160)	473
of which:			
Gross financial indebtedness	1,239	1,080	159
of which Other non-current liabilities	220	39	181
Liquidity	(926)	(1,240)	314

(*) At December 31, 2024, they include financial receivables from Assets held for sale in the amount of 109 million euros (126 million euros at December 31, 2023).

The **non-current financial debt**, compared to December 31, 2023, in addition to the increase in Other non-current liabilities mainly related to commitments for environmental remediation activities, reflects in particular:

- two new drawdowns, for a total of 92 million euros, under the Green Loan with the EIB, loan linked to investments in renewable energy production and energy efficiency, and
- a drawdown, for 10 million euros, of a new credit line granted by Cassa Depositi e Prestiti in June 2024 and dedicated to an E-mobility project, with a maturity of 3 years.

The increase due to the greater use of bank financing is partially offset by the reclassification of the maturing portions of bank and leasing debts among current financial liabilities.

The **current financial debt** decreased compared to December 31, 2023, mainly due to lower temporary overdrafts on ordinary current accounts for operating activities.

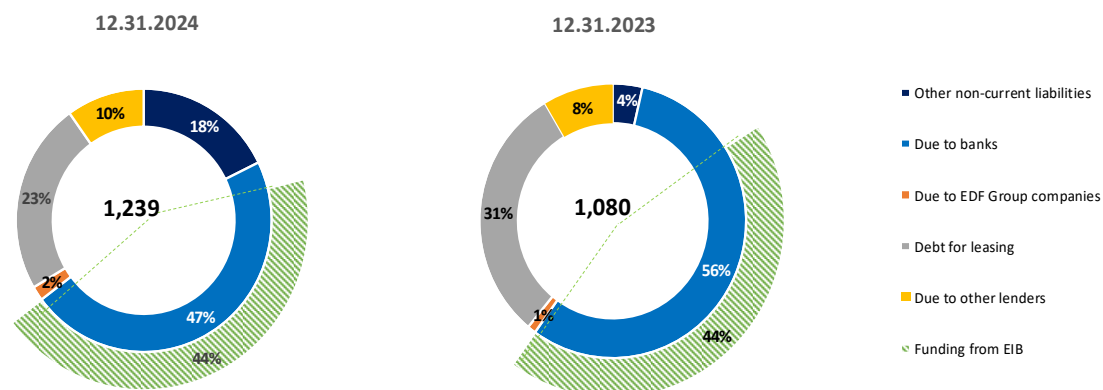
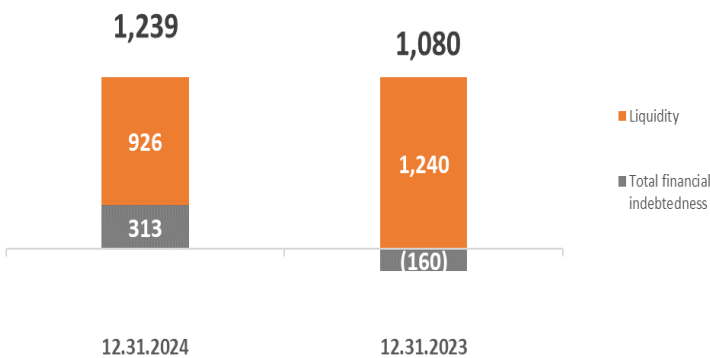
At December 31, 2024, **current financial assets** included an amount of about 109 million euros (126 million euros at December 31, 2023) relating to financial receivables of Edison Spa due from Edison Stocaggio; this amount should be

read in conjunction with the item **Net financial debt Assets held for sale**, which includes the financial items of the business under disposal, entirely represented by debt payable to Continuing Operations.

Cash and cash equivalents, amounting to 921 million euros, show a decrease compared to 1,234 million euros at December 31, 2023, and are mainly represented by available funds held in the current account with EDF Sa for 878 million euros (1,201 million euros at December 31, 2023). Treasury current account overdraft with EDF Sa, amounting to 199 million euros, was not used at December 31, 2024.

Gross financial debt and breakdown by financial source

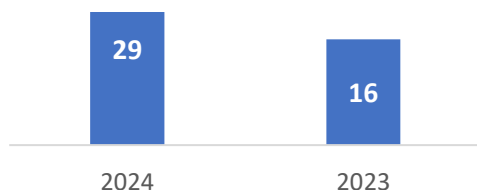
(in millions of euros)



The different composition of gross financial indebtedness compared to December 31, 2023 reflects, as previously commented, the increase of Other non-current liabilities. The debts due to banks are mainly represented by long-term special purpose loans granted by the EIB directly to Edison for the development of specific projects.

Net financial income (expense) on debt

(in millions of euros)



Net financial income (expenses) on debt amounted to 29 million euros of net income (net income of 16 million euros in 2023) and benefited from the significant amount of cash and cash equivalents whose variable-rate remuneration exceeded, also during 2024, the cost of bank loans.

For the analysis of interest rate risks, please refer to paragraph 6.4 – section 6.4.1 below.

In accordance with IAS 7 “Cash Flow Statement”, the changes in liabilities resulting from financing activities are reported below. The table shows the reconciliation of cash flows exhibited in the “Cash flow statement” with the total changes recorded during the year from balance sheet items that contribute to financial indebtedness.

(in millions of euros)	12.31.2023	Cash Flow (*)	Non-cash flows				12.31.2024
			Changes in scope of consolidation (**)	New IFRS 16 leases	Currency differences	Other changes	
Financial debt (non-current and current)	1,041	(33)	-	10	-	1	1,019
Current financial assets	(132)	17	-	-	-	1	(114)
Net liabilities resulting from financing activities (a)	909	(16)	-	10	-	2	905
Cash and cash equivalents (*) (b)	(1,234)	316	(3)	-	-	-	(921)
Net financial debt Assets held for sale (c)	126	(17)	-	-	-	-	109
Subtotal net financial debt (d)=(a+b+c)	(199)	283	(3)	10	-	2	93
Other non-current liabilities (e)	39	-	5	-	-	176	220
Total financial indebtedness (f)=(d+e)	(160)	283	2	10	-	178	313

(*) Flows shown in the cash flow statement.

(**) Related to the business combinations.

6.4 Financial risk management

6.4.1 Interest rate risk

The Edison Group's exposure to interest rate risk remained substantially stable.

Please remember that fixed-rate debts are represented in good portion by leases and, for 254 million euros, by drawdowns on EIB funds. The variable rate debt (mainly Euribor rate), with a slight increase compared to December 31, 2023, mainly includes EIB loans.

Edison Group assesses its exposure to the risk of fluctuations in interest rates on a regular basis and manages it mainly by selecting the modality to use the loans. Please recall that the EIB loans offer the option between a variable and fixed rate every time the loan is utilized.

Gross financial indebtedness	12.31.2024			12.31.2023		
	without derivatives	with derivatives	% with derivatives	without derivatives	with derivatives	% with derivatives
Mix fixed and variable rate: (in millions of euros)						
- fixed rate portion (*)	507	545	53%	539	586	56%
- variable rate portion	512	474	47%	502	455	44%
Total gross financial indebtedness (*)	1,019	1,019	100%	1,041	1,041	100%

(*) Includes the effects of application of accounting standard IFRS 16 and excludes the Other non-current liabilities

The table below provides a sensitivity analysis that shows the impact on the income statement of a hypothetical shift of the forward curve of plus or minus 50 basis points compared with the rates actually applied during 2024 and provides a comparison with the corresponding data for 2023. It should be noted that this analysis is carried out on the debt component of financial expenses only and disregards financial income which had, also in 2024, a particularly significant impact.

Sensitivity analysis (in millions of euros)	2024			2023		
	Impact on financial expense			Impact on financial expense		
	+50 bps	base	-50 bps	+50 bps	base	-50 bps
Edison Group	29	27	24	20	19	18

6.4.2 Liquidity risk

Liquidity risk is the risk that Edison Group may not have access to sufficient financial resources to meet its financial and commercial obligations in accordance with agreed terms and maturities.

Edison aims to ensure that the Group always has sufficient funding sources to meet its obligations that are falling due and to support always the established investment programs, with reasonable margins of financial flexibility.

The following table provides a prudential assessment of the total outstanding liabilities at the time the financial statements were prepared until their natural expiry. It includes:

- in addition to principal and accrued interest, all future interest payments estimated for the entire duration of the underlying debt obligation; where applicable, the effect of interest rate derivative contracts is also included;
- financing facilities are treated as if repayable on demand, in the case of revocable lines of credit, or on the first due date when repayment can be demanded, in other cases.

For a better representation, the prudential value thus obtained is compared with the existing cash and cash equivalents, without considering other assets (e.g. trade receivables).

Cash flow projections (*) (in millions of euros)	12.31.2024			12.31.2023		
	1 to 3 months	More than 3 months and up to 1 year	After 1 year	1 to 3 months	More than 3 months and up to 1 year	After 1 year
Financial debt (**)	49	145	831	147	137	790
Trade payables	2,372	155	-	2,103	143	-
Total debt	2,421	300	831	2,250	280	790
Guarantees provided to third parties (***)	-	91	-	-	115	-
Cash and cash equivalents	921	-	-	1,234	-	-

(*) The amounts include the effects of application of accounting standard IFRS 16

(**) Excluding debt due to other lenders

(***) These guarantees are provided by Edison to financial institutions in the interest of Elpedison.

The future cash outflows are compared with available resources below.

The **financial debt due within one year** amounts to 194 million euros at December 31, 2024 (284 million euros at December 31, 2023), in decrease mainly due to lower temporary overdrafts on current accounts for the operating activities. **Financial debt due after one year**, amounting to 831 million euros, is slightly increased compared to December 31, 2023 (790 million euros) mainly due to the new drawdowns of 92 million euros of the Green Framework Loan with the EIB, partially offset by the reclassification under current financial debt of the maturing portions of debts due to banks and debts for leasing.

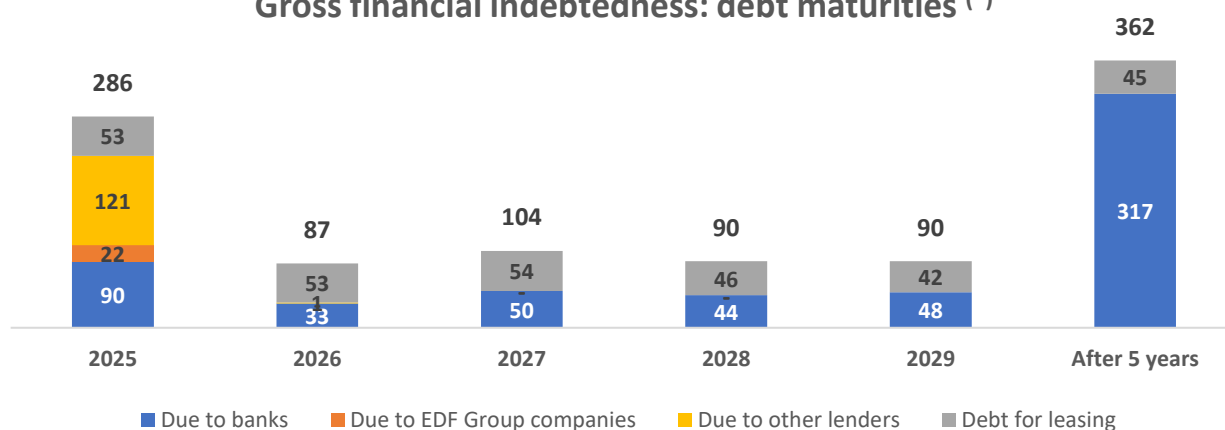
At December 31, 2024 the Edison Group also had cash and cash equivalents of 921 million euros, of which 878 million euros on the treasury current account with EDF Sa.

The ability of Edison Group to meet its expected and unexpected monetary obligations is based, in addition to its liquidity, on the availability of unused credit lines.

At December 31, 2024 Edison Group had unused lines of credit totalling 70 million euros, represented by the already mentioned Green Framework Loan granted by the EIB to finance energy efficiency projects and the construction of renewable power plants throughout Italy. The line of credit has a duration of 15 years and the availability period was extended until June 2025.

Please note that Edison cancelled in advance the 1 billion euros revolving credit line guaranteed by the national export credit agency SACE Spa. At the same time the guarantee, which at December 31, 2023 was included in the commitments for 700 million euros, was extinguished. The credit line had been contracted in 2023 under the program of exceptional support measures called SupportItalia.

Gross financial indebtedness: debt maturities (*)



(*) Excluding Other non-current liabilities

6.4.3 Risk of anticipated reimbursement of loans

In general, the debt of the companies of the Edison Group is not subject to compliance with financial/equity ratios (the so-called financial covenants); exceptions are certain loans, of non-material amounts, granted to companies that are now owned by Edison Next, before their entry in the Group.

The eventual non-compliance with covenants can entail an early repayment of the loan.

At December 31, 2024 the covenants were adequately respected.

For an explanation of the effects that a change in control of Edison could have on outstanding loans, please refer to the discussion in the Management, Sustainability and Governance Report at December 31, 2024, in the paragraph D.2.2.6 Change of Control Clauses.

The loan agreements do not contain clauses that could result in the early termination of the loan as an automatic effect if the credit rating assigned to Edison Spa by the rating agencies is downgraded or cancelled.

Note that the medium/long-term credit lines provided by EIB envisage restrictions on the use of funds and on the management of projects financed, typical of specific-purpose loans for industrial businesses.

At the time of the Consolidated financial statements were prepared, there are no situations of default.

7. Taxation

7.1 Tax risk and tax management

It should be noted that since 2018 the Edison Group has adopted a Tax Risk Management system that allows the detection, assessment, management and active control of tax risk (so-called Tax Control Framework or TCF). This management process is integrated into the Group's Internal Control and Risk Management System.

The TCF adopted consists of a Tax Policy, a General Rule, a system of Risk & Control Identification Matrices, as well as a system of Information Flows, synergistically connected with the provisions of Law 262/2005, however functionally separated while maintaining their fiscal integrity, to monitor and manage activities with potential fiscal impacts on the main business processes and on the Group's results.

The TCF and the elements supporting it received a positive assessment from the Revenue Agency-Collaborative Compliance Office within the framework of the investigation that led Edison Spa to be admitted to Cooperative Compliance with effect from tax year 2022.

During 2024, in addition to the first post-admission meeting with the Revenue Agency-Collaborative Compliance Office, which formally opened the dialog provided for by the regime in question, Edison Spa followed up on the requests formulated in relation to the areas of improvement identified by the same Office during the evaluation of the TCF adopted by the Company.

The annexation is a building block for the establishment of a strengthened relationship (i.e. enhanced relationship) based on mutual communication, cooperation and transparency between taxpayer and Tax Administration.

7.2 Taxes

7.2.1. Income taxes and tax rate

Income taxes (in millions of euros)	2024	2023	Change
Current taxes	(188)	(376)	188
Net deferred-tax assets (liabilities)	11	142	(131)
Other	19	26	(7)
Total	(158)	(208)	50
Tax rate	29.0%	26.3%	n.a.

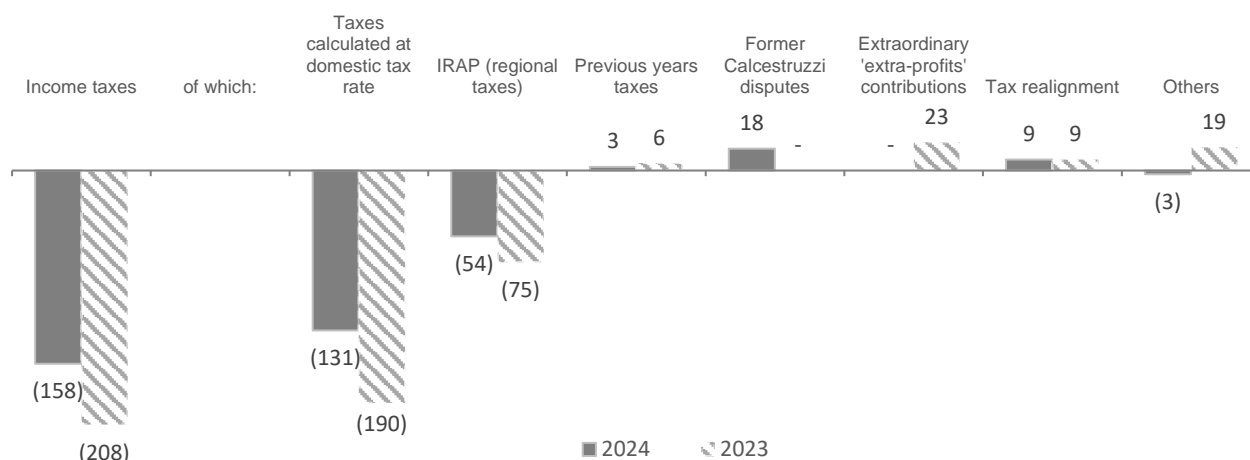
Current taxes include IRES for 142 million euros (292 million euros in 2023) and IRAP for 54 million euros (97 million euros in 2023).

Income taxes of 2024 include under the item "Other" the net positive impact of 18 million euros deriving from the outcome of the judicial settlement with tax authorities signed in June 2024 to close the disputes related to the former Calcestruzzi Spa, dating back to 1991 and 1992, which includes a charge of about 2 million euros, the payment of which had already been made in June 2024, and a reimbursement of 20 million euros received in September.

Please note that 2023 included the positive impact of 23 million euros deriving from the difference between the estimated value of the temporary solidarity contribution pursuant to the Budget Law 2023 for 240 million euros accounted for under income taxes in 2022 and the amount determined for the payment of 217 million euros. This amount, which payment took place within the legal deadlines by June 30, 2023, was thus calculated following the updating of the tax provisions and the tax bases of the companies concerned.

In absence of these non-recurring effects, the tax rate would have been about 32% in 2024 and about 29% in 2023.

The reconciliation between the theoretical tax burden, determined by applying the IRES tax rate in force in Italy of 24% (unchanged compared to 2023), and the effective tax burden is shown in the following chart:



7.2.2 Income taxes paid

Net income taxes paid in the year amounted to 499 million euros and mainly include:

- the payment of IRES to controlling company Transalpina di Energia in the Consolidated Corporate Income Tax Return for a net amount of 384 million euros;
- the payment of IRAP for 122 million euros;
- net proceeds related to the settlement of the above-mentioned tax disputes referred to the former Calcestruzzi Spa for 18 million euros.

7.3 Tax assets and liabilities

7.3.1 Current and non-current tax receivables and payables

At December 31, 2024, net receivables of 138 million euros were recognized (net payables of 219 million euros at December 31, 2023); details are provided in the following table.

Current and non-current tax receivables and payables (in millions of euros)	12.31.2024	12.31.2023	Change
Non-current tax receivables	2	2	-
Current tax receivables	28	13	15
Receivables owed by the controlling company for consolidated tax	132	23	109
Total tax receivables (A)	162	38	124
Current tax payables	10	81	(71)
Liabilities owed to the controlling company for consolidated tax	14	176	(162)
Total tax payables (B)	24	257	(233)
Current and non-current tax receivables (payables) (A-B)	138	(219)	357

Receivables and liabilities towards the controlling company for consolidated tax refer to the so-called National Consolidated Tax return IRES, as reported below.

Consolidated Corporate Income Tax (IRES) Return filed by Transalpina di Energia Spa (TdE)

During the year 2022 the main companies of the Group renewed, for the three-year period 2022-2024, the option for Group taxation for IRES purposes pursuant to articles 117 and following of the TUIR – so-called National Consolidated Tax return - which is headed by the controlling company TdE.

According to the existing rules, every year the scope of the aforementioned TdE tax consolidation is expanded, as other Group companies, meeting the requirements, can opt for this tax regime, each in relation to its own three-year tax period of validity, with the possibility of tacit renewal by continuing the legal requirements. Similarly, companies for which the legal requirements no longer exist are excluded from this tax consolidation in accordance with the law.

All the companies participating in the consolidation determine the IRES due in coordination with the controlling company TdE, which is also required to pay to the tax authorities advances and balances of taxes.

7.3.2. Deferred-tax assets and Deferred-tax liabilities

At December 31, 2024, net assets of 330 million euros were recognized (net assets of 316 million euros at December 31, 2023); details are provided below.

Deferred-tax asset (in millions of euros)	12.31.2024	12.31.2023	Change
Tax losses carryforward	2	1	1
Taxed provision for risks	254	258	(4)
Application of accounting standard on financial instruments:			
- on shareholders' equity	-	1	(1)
Valuation differences of fixed assets	135	140	(5)
Others	3	4	(1)
Gross Deferred-tax assets	394	404	(10)
Offset IAS 12	(2)	(3)	1
Deferred-tax assets	392	401	(9)

Deferred-tax assets were valued based on the likelihood that they would be realized and their possible tax benefits recovered within the limited time horizon consistent with the business plans of the companies.

The following table shows a breakdown of deferred-tax liabilities by type of underlying temporary difference.

Deferred-tax liabilities (in millions of euros)	12.31.2024	12.31.2023	Change
Valuation differences of fixed assets	60	67	(7)
Application of accounting standard on financial instruments:			
- on income statement	2	2	-
- on shareholders' equity	2	19	(17)
Gross Deferred-tax liabilities	64	88	(24)
Offset IAS 12	(2)	(3)	1
Deferred-tax liabilities	62	85	(23)

Changes during the year are detailed below.

Effects on income statement and on shareholders' equity

Details of the changes in "Deferred-tax assets" and "Deferred-tax liabilities" are provided below, broken down by type of timing difference, determined based on the tax rates envisaged by governing measures. It should be remembered that, if the requirements provided by IAS 12 are met, balances are offset.

Changes in Deferred-tax liabilities / Deferred-tax assets	12.31.2023	Impact on income statement	Impact on shareholders' equity	Reclassification to Assets / Liabilities held for sale	Other changes / Reclassifications / Offsets	12.31.2024
(in millions of euros)						
Deferred-tax liabilities:						
Valuation differences of fixed assets	67	(6)		-	(1)	60
Application of accounting standard on financial instruments:						
- on income statement	2	-		-	-	2
- on shareholders' equity	19		(17)	-	-	2
Total	88	(6)	(17)	-	(1)	64
Offset	(3)	-	-	-	1	(2)
Deferred-tax liabilities net of offset	85	(6)	(17)	-	-	62
Deferred-tax assets:						
Tax losses carryforward	1	-		-	1	2
Taxed provisions for risks	258	7		(5)	(6)	254
Application of accounting standard on financial instruments:						
- on shareholders' equity	1		(1)	-	-	-
Valuation differences of fixed assets	140	(3)		(2)	-	135
Others	4	1		-	(2)	3
Total	404	5	(1)	(7)	(7)	394
Offset	(3)	-	-	-	1	(2)
Deferred-tax assets net of offset	401	5	(1)	(7)	(6)	392
(Deferred-tax liabilities) / Deferred-tax assets	316	11	16	(7)	(6)	330

8. Non-Energy Activities

The Edison Group is involved in various processes, in particular, for environmental remediation and decontamination of polluted areas deriving from its own industrial history. Edison Spa, in fact, represents the universal successor of Montedison Spa, merged in it. As a result, in the financial statements are recognized charges for environmental activities and risk provisions related to disputes arising from events over the time, connected, *inter alia*, to the management of chemical production plants already held by Montedison Group – that were object, from the 1990s to 2010, of a wide-range divestment policy that led to Edison Group's activities being redirected into the energy sector - and which therefore are not relevant to the current business management of Edison Spa and its subsidiaries.

For this reason, it was decided to isolate and represent in a dedicated chapter the contribution of these activities to the consolidated income statement and balance sheet, as well as the related contingent liabilities.

There are several legal disputes related to these remediation and decontamination activities and in the assessment of likely impacts, the Company's management must use estimates and assumptions that are more relevant, in particular as regards provisions related to environmental litigation for the chemical facilities of Montedison Group. The quantification and the review of these provisions are part of a recurring process of assessment based on the juridical complexity and the type of proceeding; likewise, and in general, the periodical assessment also includes the quantification and updating of the other provisions for risk related to legal and arbitral disputes.

Given the number, relevance and complexity of the environmental remediation activities in which the Edison Group is involved, as well as the specific nature of the skills, resources and means required to manage them, the company Edison Regea was established during the year, dedicated to the environmental remediation of former Montedison sites, and more generally to the regeneration of the territories that hosted the Montedison Group's activities in the past. By means of two demerger transactions and one transfer, all assets, including equity investments, means, expertise, resources, contracts and personnel, relating to the environmental activities carried out by Edison Spa, Edison Next Environment and Edison Next, for the safety, clean-up and environmental restoration of former Montedison industrial sites, were transferred to this company. Edison Regea has been operational since July 1, 2024 and carries out mainly captive activities.

The resulting effects are recognized in the segment Corporate & Environmental Remediation and in particular, in the income statement, the related income and expenses, including the associated legal costs, are recorded in the item 'Other income (expense) non-Energy Activities' included in EBIT.

Net expenses in 2024 amounted to 628 million euros (net expenses of 556 million euros in the previous year). Please note that the value includes expenses for about 608 million euros related to environmental remediation activities, following new interventions to be carried out on some sites, mainly related to the agreement signed with Eni in 2023.

The breakdown and changes in the risk provisions recorded in the financial statements and the elements that led to their recognition are as follows.

(in millions of euros)	12.31.2023	Additions	Utilizations	Financial expenses	Other changes	Reclassification to liabilities held for sale	12.31.2024
A) Risks for disputes, litigations and contracts	7	6	(3)	-	-	-	10
B) Charges for contractual guarantees on sale of equity investments	85	3	-	2	-	-	90
C) Environmental risks	669	608	(639)	-	-	(11)	627
Provisions for risks and charges for non-Energy Activities	761	617	(642)	2	-	(11)	727

It should also be noted that among the liabilities are recorded other liabilities for a total of 286 million euros relating to amounts to be recognized to Eni.

A) Probable liabilities for which a provision for disputes, litigation and contracts risks was recognized in the balance sheet:

Date started / Jurisdiction	Description of dispute
Collapse of the Stava Dam	
October 25, 2000 Court of Milan / Milan Court of Appeals / Court of Cassation	The last civil dispute that is still pending with regard to the events that occurred in Val di Stava in 1985, when the levies of two mining mud holding ponds, operated by a Montedison-owned company were breached causing the well-known disaster. In its decision, the lower court ruled that the statute of limitation prevented the action filed against Edison. By a decision published in November 2015, the Milan Court of Appeals upheld that decision. The Court of Cassation instead voided the decision in the second instance and referred the case back to the Milan Court of Appeals indicating the items for the quantification of the damages for which compensation is to be provided. In 2022, the Court of Appeals of Milan, in ruling No. 2242/2022, ordered Edison (formerly Montedison) to pay the pecuniary damages suffered as a result of the Stava disaster, quantified at approximately 300,000 euros, which, due to the effect of interest and revaluation from 1985 to the present day, are revalued at 2,191,707.14 euros, plus legal expenses. By virtue of the agreement with the other parties to the dispute, Edison is called upon to pay the entire sum, subject to pro rata recourse against Eni, the Autonomous Province of Trento and Finimeg for 70% of the total. The sum of 2,191,707.14 euros was paid and Edison filed a claim for recovery against the joint debtors on a pro rata basis. Eni has reimbursed its share, while reimbursement from the Autonomous Province of Trento is pending.

Claims for damages caused by exposure to asbestos
In recent years, there has been a significant increase in the number of claims for damages arising from the deaths or illnesses of workers that were allegedly caused by exposure to different forms of asbestos at factories formerly owned by Montedison Spa (now Edison) or from judicial cases taken over by Edison as a result of corporate transactions. Without rendering an opinion on the merits of these claims, considering the long latency of illnesses related to exposure to different types of asbestos and the industrial activities carried out in the past by Group companies that belonged to the chemical industry, the presence of these companies throughout Italy and the manufacturing technologies used (considering the dates when these activities were carried out and the state of technological advancement at the time), which complied fully with the laws in force at that time, the possibility that new legitimate claims for damages may emerge in addition to those that are already the subject of several civil and criminal proceedings cannot be excluded.

B) Probable liabilities for which a provision for risks for contractual guarantees on sale of equity investments was recognized in the balance sheet:

Date started / Jurisdiction	Description of dispute
<u>Civil lawsuits and administrative proceedings concerning and/or related the sale of Agorà Spa, which owned 100% of the shares of Ausimont Spa</u> <u>Edison is a party to these proceedings in its capacity as universal successor to Montedison Spa</u>	
Ausimont – Spinetta Marengo – Administrative proceedings – internal areas	
2012 Piedmont Regional Administrative Court	The case concerns activities that Solvay Specialty Polymers was ordered to carry out, under various titles, to ensure safety and environmental remediation of areas inside the Spinetta Marengo (AL) chemical plant. This plant was operated until 2002 by Ausimont Spa, a Montedison Group company sold to the Solvay Group in May 2002. Edison joined these proceedings exclusively to protect its rights and legitimate interests in connection with the challenges filed against the administrative acts of the relevant Services Conference by Solvay Specialty Polymers, which specifically contested the failure to identify Edison as a respondent (or correspondent) in the proceedings.
Ausimont – Solvay arbitration	
May 2012 ICC – Geneva Milan Court of Appeals – Court of Cassation	These arbitration proceedings were initiated in 2012 by Solvay Sa and Solvay Specialty Polymers Italy Spa against Edison, for alleged violations of certain representations and warranties in the environmental area concerning the industrial sites of Bussi sul Tirino and Spinetta Marengo included in the deed of sale of Agorà Spa (parent company of Ausimont Spa) executed on the one hand by Montedison Spa and Longside International Sa and on the other hand by Solvay Solexis Spa (now Solvay Specialty Polymers) in December 2001.

	<p>The proceeding, after an initial phase focused on preliminary and prejudicial issues, proceeded with the examination of the various requests formulated by the parties regarding the merits of the dispute and at the end of June 2021, the Secretariat of the International Court of Arbitration at the International Chamber of Commerce notified Edison of the partial award with which the Arbitration Tribunal largely upholding the claims made by Solvay Specialty Polymers Italy in connection with the environmental guarantees provided by Montedison in the contract for the sale of Ausimont, signed in 2001, ordered Edison to pay damages quantified at approximately 91 million euros for the period from May 2002 (date of closing) to December 2016.</p> <p>The partial award shall be accompanied by a dissenting opinion of one of the members of the Arbitral Tribunal.</p> <p>The award was immediately appealed by Edison before the competent Swiss courts. However, the appeal was rejected.</p> <p>In the parallel 'exequatur' proceedings of the partial award before the Court of Appeal of Milan, the judges, in a ruling published on January 24, 2023, rejected Edison's summons, recognizing the enforceability of the award in Italy.</p> <p>Edison paid approximately 92 million euros; as early as December 31, 2022 this amount was reclassified from the existing specific risk provision to Other current liabilities.</p> <p>Edison appealed to the Court of Cassation and the discussion hearing was held on February 6, 2025 and is waiting for the decision.</p> <p>In the meantime, the arbitration proceeding proceeds with a further phase aimed at quantifying any further damage suffered by Solvay Specialty Polymers in the period after January 2017 and at the interest rate applicable to this claim.</p> <p>On January 20, 2025, the Arbitration Court issued its final award, in which it ordered Edison to pay the sum of 90 million euros, an amount that at December 31, 2024 is covered by a specific risks provision.</p>
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C) Probable liabilities for which a provision for environmental risks was recognized in the balance sheet:

C.1 – “Patto per l’ambiente” Edison-Eni

By way of introduction to the paragraphs that follow, it seems appropriate to note that on July 31, 2023, Edison Spa, Eni Spa, Eni Rewind Spa and Versalis Spa entered into an agreement that will regulate the joint economic competition for the remediation work to be carried out in execution of the projects decreed by the Ministry of the Environment for the sites so-called "former EniMont" (the sites contributed to the joint venture EniMont in 1990 by the Eni and Montedison Groups, respectively), initiating a cooperation between Eni Group and Edison Group that would make use of their experience and technologies acquired in the sector. The implementation of the site-by-site agreement, with related planning activities, sharing of costs resulting from approved remediation projects and relations with institutions will be shared and coordinated by a joint technical-legal Committee between the companies. In connection with this agreement and based on in-depth technical and legal assessments and evaluations concerning both the costs incurred by Eni in the past and the future activities to be implemented, further significant allocations were made to the specific provision for risks in 2024. In this regard during the year 245 million euros have been paid to Eni, while the amounts still to be paid to the counterparty are recognized at December 31, 2024 under Other current liabilities and Other non-current liabilities (totalling 286 million euros).

Date started / Jurisdiction	Description of dispute
Mantua – Criminal proceedings	
Court of Mantua	<p>The Public Ministry of Mantua decided to initiate criminal proceedings against some executive directors working for the Company over time since 2015 and some of the Company's representatives, due to alleged environmental offences, also relevant pursuant to Legislative Decree 231 of 2001, in relation to certain portions of the Mantua petrochemical plant subject to orders of the Province of Mantua, which were confirmed in the Council of State's ruling of April 2020, described in a separate section.</p> <p>Following the decision of the GUP of Mantua to remand the defendants for trial, the proceeding has begun before the Court of Mantua on February 14, 2024 and it is currently in the trial phase.</p> <p>The Mantua petrochemical plant - which Edison (as the successor of Montedison) has not owned or managed since 1990 - was over time subject to a large-scale, detailed and complex plan of environmental remediation and restoration activities which also regarded all of the areas relating to</p>

	<p>which the Public Prosecutor has decided to lodge proceedings. These activities were initiated and carried out for two decades, with significant although uneven progress, by the Eni Group and, after the transfer in June 2020 of the relative operational remediation projects following the Council of State ruling referred to above, Edison, which had already previously performed some preparatory activities, methodically took them over; and, for at least one of those areas, the remediation was completed in compliance with the relative project, according to what has been ascertained by the Ministry for the Environment and the Province of Mantua.</p> <p>On these grounds, as well as for an extensive list of legal elements, the Company believes that the charges are completely first of all factually and also legally groundless, and it has already filed several defence briefs accompanied by quite considerable documentary evidence.</p>
Mantua – Administrative proceedings	
2012 – 2020 Lombardy Regional Administrative Court (BS) – European Court of Human Rights	<p>In the past years, the Province of Mantua sent Edison a lot of various orders pursuant to art. 244 of Legislative Decree 152/2006, which required securing and remediation activities on just as many areas of the Mantua Site of National Interest, transferred from Montedison to the Eni Group in 1990 along with the entire Mantua Petrochemical site.</p> <p>These orders were imposed although the environmental remediation obligations relating to the Mantua site had already been subject to two separate settlement agreements entered into by Edison with Eni (2003) and with the Ministry for the Environment (2005), respectively.</p> <p>Edison submitted separate appeals before the Regional Administrative Court of Lombardy - Brescia Section against all of these orders. In August 2018, the Court, which had joined them, rejected them in bloc. Edison then challenged this Regional Administrative Court decision before the Council of State. With decision of April 1, 2020, the appeal lodged by Edison was rejected.</p> <p>Edison, which considers this decision illegitimate, lodged appeals before the Court of Cassation and the Council of State, which rejected them. An independent appeal brought by the Company before the European Court of Human Rights is still pending.</p> <p>Other appeals submitted by Edison before the Regional Administrative Court of Lombardy have been rejected in 2022. Edison has challenged these decisions before the Council of State, which rejected the appeals of Edison on December 31, 2024.</p> <p>At the same time, Edison, through its subsidiary Edison Regea, is performing the remediation activities on the site, taking over from the Eni Group companies in performing the remediation activities set forth in the provincial orders mentioned above.</p>
Crotone – Criminal proceedings	
2005 Court of Crotone	<p>Of the three disputes outstanding at the end of 2018, a single criminal case is currently pending against former executives and employees of the company Montecatini for alleged poisoning of the aquifer and, consequently, of the water intended for feed.</p> <p>The proceedings concluded with a dismissal. However, as the grounds were not deemed fully satisfactory, the Company decided to lodge an appeal. The hearing was held in May 2024 in the Court of Appeals. The same ended with a ruling confirming the dismissal due to the statute of limitations of the crimes. The terms for lodging an appeal before the Court of Cassation are pending.</p>
Crotone – Administrative proceedings	
2022-2024 Province of Crotone – Calabria Regional Administrative Court	<p>The Province, as part of the preliminary activities relating to the process of identifying the party responsible for the contamination, asked Edison Spa, as the successor to Montedison, for a note on the reconstruction of the corporate history of the companies operating in the area within the SIN.</p> <p>On June 14, 2023, the Crotone Provincial Authority adopted Ordinance No. 1/2023 <i>"against the parties identified as responsible for the pollution and contextual warning to provide, pursuant to art. 244, paragraph 2 of Title Five of the Fourth Part of Legislative Decree No. 152/2006 and subsequent amendments and additions, the execution and, if necessary, the integration of safety measures, remediation and environmental restoration of groundwater, soil and subsoil, including prevention measures and emergency safety measures - Areas of former plants Agricoltura, former Fosfotec, Kroton Gres 2000 - Industrie Ceramiche s.r.l. - former Sasol Italy S.p.A and Service Landfill called "Farina Trappeto", located in the Municipality of Crotone. "S.I.N. of Crotone - Cassano - Cerchiara".</i></p> <p>Edison challenged the Ordinance, in order to have it annulled, before the Calabria-Catanzaro Regional Administrative Court.</p> <p>Subsequently, on March 22, 2024, the Province of Crotone notified Edison of the start of the procedure for the activation of <i>"provincial procedures aimed at identifying the person responsible for the pollution and warning to provide, pursuant to art. 244 paragraph 2 of Title Five of Part Four of Legislative Decree no. 152/2006 and ss.mm.ii, the execution of safety measures, remediation and environmental restoration groundwater, soils and marine waters, including also prevention measures and emergency safety measures - Sites: Coastal marine area facing the Crotone SIN (disused industrial sites including port area) and adjacent areas [...]"</i> located in the "Crotone-Cassano-Cerchiara SIN", with</p>

	<p>reference to the "coastal marine area facing the Crotona SIN (...) and water mirror up to a distance of 450 metres from the coastline included in the perimeter of the SIN".</p> <p>Edison has appealed to the Calabria-Catanzaro Regional Administrative Court against this notice of initiation of proceedings, together with the acts connected with, precedent and consequential to it, in order to obtain its annulment.</p> <p>At present, it is awaiting the setting of hearings to discuss the above appeals.</p> <p>Finally, Edison has entered an appearance as a counterinterested party in the appeals brought by the Region of Calabria, the Province of Crotona and the Municipality of Crotona against the note of the Ministry of the Environment no. 27/2024, containing the determination of positive conclusion of the decisive services conference, approval and authorization of the project of Eni Rewind Spa "Former Pertusola seafront landfill and former Pertusola Nord and Agriculture Plant. Outline to the Phase 2 Remediation Project". The related discussion hearings are set for February 2025.</p>
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C.2 – Bussi sul Tirino site – Ausimont areas

Date started / Jurisdiction	Description of dispute
Ausimont – Bussi sul Tirino – Administrative proceedings of remediation of so-called "Solvay Internal Areas" - plant area	
December 18, 2019 Abruzzo Regional Administrative Court	<p>On December 18, 2019, the Province of Pescara served Edison with an order pursuant to art. 244 of Legislative Decree No. 152/2006 (the "Environmental Code") for the remediation of the areas where the Ausimont plant in Bussi, which was sold to Solvay in 2002, was located.</p> <p>With regards to this measure, it should be stressed that: i) the area on which the facility is built was conferred to Ausimont since it was incorporated in 1981; ii) Ausimont, and only and exclusively Ausimont, operated that facility continuously from 1981 to 2002 and it is during that time that the rules for the remediation of industrial sites affected by historical pollution came into force; iii) Ausimont's shares were transferred to Solvay Solexis Spa, now Solvay Specialty Polymers Italy Spa, in May 2002; iv) Ausimont was merged in Solvay Solexis in November 2002, with consequent succession of the latter in the legal, active and passive position, belonging to the company Ausimont. Edison steadfastly contests the legitimacy of this order, so the Company lodged an appeal before the Abruzzo Regional Administrative Court; the hearing was held on February 7, 2025 and it is waiting for the decision.</p> <p>While the proceedings are pending, Edison and the previous owner of the area, Società Chimica Bussi, have stipulated a preliminary purchase and sale agreement on March 27, 2023, in execution of which Tre Monti Srl (designated by Edison for this purpose) purchased the assets constituting the entire MIPRE/MISE system operating at the plant.</p>
Ausimont – Bussi sul Tirino – Administrative proceedings of remediation of "Solvay External Areas", areas "2A" and "2B"	
February 28, 2018 Regional Administrative Court of Pescara / Council of State / European Court of Human Rights	<p>On February 28, 2018, the Province of Pescara notified the companies Solvay Specialty Polymers Italy Spa and Edison Spa that it was initiating proceedings pursuant to Title V Part IV of Legislative Decree No. 152/2006 to identify the party liable for the contamination of the so-called "Solvay External Areas" or "North areas" in Bussi sul Tirino, landfill areas 2A and 2B and adjoining areas.</p> <p>Subsequently, on June 26, 2018, the Province of Pescara served Edison with an order pursuant to art. 244 of Legislative Decree No. 152/2006 (the "Environmental Code") for the removal of all waste dumped over time in the above-mentioned areas of the Bussi site.</p> <p>With regard to this measure, it is necessary to note that: i) the portions of land in question were contributed to Ausimont since its date of establishment in 1981; ii) Ausimont, and only and exclusively Ausimont, obtained authorization to run, built, managed and closed landfills 2A and 2B located on such portions of land; iii) the shares of Ausimont were transferred to Solvay Solexis Spa, now Solvay Specialty Polymers Italy Spa, in May 2002; iv) Ausimont was merged in Solvay Solexis in November 2002, with the latter becoming successor of any and all legal positions lodged by and against Ausimont.</p> <p>Edison, challenged the decision before the Regional Administrative Court of Pescara, which however dismissed the Company's appeal. Edison has therefore filed an appeal before the Council of State. With a ruling published on April 6, 2020, the Council of State confirmed, although requalifying its scope and content, the decision of the Province of Pescara and the subsequent ruling of the Pescara Regional Administrative Court in relation to the remediation procedure for the "North" areas of the Bussi sul Tirino site. The independent appeal brought by the Company before the European Court of Human Rights is still pending.</p> <p>Therefore, on June 11, 2021, the decision was published by which the Council of State rejected the appeal by the Ministry of the Environment against the sentence of the Abruzzo Regional Administrative Court "regarding the cancellation of the award of the integrated contract relating to</p>

	<p>decontamination works in the 'Solvay external areas' located in the Municipality of Bussi sul Tirino". The Ministry had, in fact, annulled the tender procedure that in 2019, had awarded to an ATI headed by the Belgian company Dec Deme the decontamination of the areas so-called 2A and 2B, sold by Montedison to Solvay in 2002 together with Ausimont. These areas are now owned by the Municipality of Bussi.</p> <p>Edison, which was already proceeding to complete safety works in these areas (not carried out by Solvay) on the basis of the Council of State's decision of April 2020, is now implementing, through its subsidiary Edison Regea, the operating project of removal of the waste for which it is responsible.</p>
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C.3 – Bussi sul Tirino site – other areas

Date started / Jurisdiction	Description of dispute
Bussi sul Tirino National Interest Site – “former Montedison Srl” area and Bolognano site	
2011 and 2018 Regional Administrative Court of Pescara/Council of State	<p>“Former Montedison Srl” area: on July 14, 2021 Edison sold an 80% stake of the company Tremonti (whose corporate name has been changed at the same time in Tre Monti), specializing in soil and groundwater decontamination services; subsequently, on July 1, 2024, the remaining 20% of the company Tre Monti was assigned to Edison Regea. The company is now owned by Ambientthesis, Herambiente (Hera Group) and Edison Regea and is responsible for carrying out its decontamination works in the Tremonti area of the Site of National Interest (SNI) of Bussi sul Tirino (PE). The area, for which complex environmental procedures have been underway for many years, is currently the subject of a wide-ranging and articulated project for the restoration and removal of historical waste in agreement with the competent bodies and, in particular, with the Ministry of the Environment. Acceptances of the first intervention lots have already taken place.</p> <p>Bolognano site: with reference to the Piano D'Orta site, in the Bussi SNI, and the remediation and environmental restoration proceedings concerning the so-called “former Montecatini” area in the Municipality of Bolognano (PE), note that the activities envisaged in the Outline Project have been completed, with the removal of “production” materials (R2), and additional investigations on the adjacent areas (East sector) will be carried out shortly. The Operational Project for Waste Removal (OPWR) on the adjacent area called “Compartment Z” has been approved by the Public Administration and, therefore, Edison, through its subsidiary Edison Regea, is preparing the monitoring plan and the related executive project for the implementation of the work with the submission of the excavation plan to the Public Administration.</p> <p>With reference to the Piano d'Orta site, a number of disputes are also pending before the Regional Administrative Court and the Council of State concerning the legitimacy and proper fulfilment of obligations related to the remediation works as well as the activities that are prodromal (demolition of existing buildings). At the moment, no hearings seem to be set at the Regional Administrative Court; the judgements at the Council of State have been discussed in February 2025 and it is waiting for the decision.</p>
Bussi sul Tirino National Interest Site – Tirino river	
July 2022 Regional Administrative Court of Pescara	<p>On July 22, 2022, Edison was notified of the ordinance pursuant to Article 244 of Legislative Decree 152/2006 of the Province of Pescara by which it was identified as being “<i>responsible for the contamination of the sediments of the Tirino River in the section from upstream to downstream of the 2A 2B landfills and adjacent areas</i>”. Edison, through its subsidiary Edison Regea, has agreed with the Public Administration on the sediment investigation plan and the related activities are in the start-up phase.</p> <p>Edison has decided to appeal the order before the Pescara Regional Administrative Court.</p>
Spinetta Marengo – Environmental administrative proceedings – external areas	
2024 Piedmont Regional Administrative Court	<p>With reference to the areas outside the Spinetta Marengo (AL) chemical plant, on April 24, 2024, Edison was notified of the order of the Province of Alessandria by which the same Company was identified as responsible in relation to soil contamination and co-responsible (together with Solvay) for groundwater contamination. The supplementary investigation plans on soils and groundwater have been approved by the Public Administration and, limited to the activities under Edison's responsibility, the procedure for the selection of the operator in charge of their execution is being carried out by Edison's subsidiary company Edison Regea.</p> <p>Edison has decided to appeal the order before the Piedmont Regional Administrative Court as well as to join the appeal brought by Solvay. The hearing to discuss both appeals is set for February 2025.</p>

C.4 – Other sites

Date started / Jurisdiction	Description of dispute
Piazzola sul Brenta (PD) – Administrative proceedings	
August 2023 Province of Padua – Veneto Regional Administrative Court	The Province of Padua, by ordinance pursuant to Art. 244 of Legislative Decree 152/06, ordered Edison Spa to start a remediation procedure at its own expense of a former Montecatini site in Piazzola sul Brenta (PD), after various substances from the site contaminated the subsoil of a nearby school. According to media reports, a survey conducted in 2020 found high levels of metals, heavy hydrocarbons, fluorides, sulphates and various other substances at the site, which is currently used as a car park for buses. According to the Province, the site belonged to Montecatini, which was incorporated into Montedison and later became Edison Spa. The area was allegedly sold by Montecatini over 60 years ago to third-party companies. The Province of Padua acquired the land in 1984 and has now - unilaterally - established that the pollution is attributable to the operations carried out by Montecatini on the site, thereby making Edison Spa liable for the pollution and its obligation to provide for its remediation. On October 30, 2023, Edison filed an appeal against this provincial measure with the Veneto Regional Administrative Court; at the moment, the schedule of the hearing is pending.
Vercurago (LC) – Administrative proceedings	
March 2023 Province of Lecco – Lombardy Regional Administrative Court	In March 2023, the Province of Lecco adopted the ordinance concerning the "Area SAFILO in the Municipality of Vercurago (LC) - ART. 244 of Legislative Decree 152/2006 "Ordinances" - Identification of the party responsible for the contamination" (prot. No. 13844/2023 of March 8, 2023) by which it ordered Edison, Pirelli & C. Spa, Safilo Srl and Fiocchi Munizioni Spa to perform all the activities provided for by Title V, and in particular by Articles 242 and 244 of Legislative Decree 152/2006, as amended: 1. submitting, within 90 days from the notification of this measure to the Municipality of Vercurago and to all the Entities involved in the proceedings concerning the Site under examination, a specific remediation/operational safety/permanent project; 2. carrying out and completing at its own expense the remediation works to be approved by the Municipality of Vercurago. Edison submitted an appeal, which was subsequently rejected, to the Lombardy Regional Administrative Court. In November 2023, the Province intervened on the subject of the ordinance by revoking point 1 above.
Legnago (VR) – Administrative proceedings	
April 2023	Edison, as universal successor of Montedison, is involved in the decontamination proceed of "Ex-Pasqualini" area's in Legnago, Verona. The intervention is carried out in agreement with the Municipality of Legnago and ARPAV; the area concerned is about 13 hectares.

In addition, there are **contingent liabilities**, which are dependent on the occurrence of events that are possible, but not probable, or are probable but their impact cannot be quantified reliably and the corresponding cash outlays cannot be reasonably estimated, for which risk provisions are not recognized and are only discussed in the comments to the notes.

Contingent liabilities associated with legal disputes

Environmental Legislation
In addition to the probable liabilities for environmental risks, already covered by provisions and previously described, in recent years, we have witnessed an expansion and evolution of environmental laws (most recently with Legislative Decree No. 152 of April 3, 2006 "Environmental Regulations", as amended), specifically with regard to liability for environmental damages, which is especially relevant to the purposes of these notes. In particular, the discussion and adoption in several legal systems of the principle of "internalization" of environmental costs (summarized in the expression "those who pollute must pay") have resulted in the development of two new types of liabilities for the act of polluting: objective liability (which does not require the subjective element of guilt) and indirect liability (which stems from the actions of others), which can arise as a result of an earlier act that constitutes a violation of acceptable contamination levels under current laws. Therefore, taking into account the current and past scope of the industrial operations of the Company and the Group, particularly in the chemical industry, which were carried out in full compliance with the statutes then in force, it cannot be excluded that, in light of current legislation, new allegations of contaminations may arise, in addition to those currently subject to administrative and judicial proceedings.

Date started / Jurisdiction	Description of dispute
April 8, 2019	<p>Ausimont - Bussi sul Tirino - Civil proceedings for compensation for alleged environmental damage</p> <p>Introduction</p> <p>The proceedings concern the alleged environmental damage purportedly caused by the chemical activities carried out by companies related to the Montedison Group in the last century. This proceeding concerns all areas of the Bussi SNI subject to actual, or alleged, contamination resulting from chemical activities attributable to the Montedison Group, without considering whether any remediation work has been completed or is underway on these areas.</p> <p>The proceedings began after a long and complex criminal proceeding that led, in 2018, to the full acquittal by the Court of Cassation with sentence No. 47779/18 of 19 defendants, all former employees and managers of the Montedison Group, for the crime of environmental disaster related to the management of the site between the 1960s and 1990s.</p> <p>It should be noted that Edison was excluded <i>ex-lege</i> from the criminal proceedings.</p> <p>As mentioned in the preceding pages, Edison is currently active at the Bussi site with a variety of remediation and environmental restoration projects and an investment plan, both ongoing and in the start-up phase, which is extremely significant also in economic terms (over 200 million euros, see below).</p> <p>The subject of the proceedings and technical expertise</p> <p>On April 8, 2019, the Ministry of the Environment and the Protection of the Territory and the Sea, the Abruzzo Region, and the Presidency of the Council of Ministers brought Edison Spa and six of the defendants, who had already been involved in the criminal trial for the same events, before the Court of L'Aquila asking the judge to:</p> <ol style="list-style-type: none"> <i>"ascertain and declare that the defendants are obliged to answer for the environmental damage resulting from the pollution events," allegedly occurred in the industrial area of Bussi sul Tirino and, "as a result," to "condemn the defendants to compensate the environmental damage in favor of the Ministry of the Environment and the Protection of the Territory and the Sea, quantified at 1,376,954,137 euros, subject to better quantification during the trial;</i> <i>condemn the defendants to restore the state of the places, including naturally, through the execution, at their own expense, of environmental repair interventions in the forms and times regulated by the reference legislation;</i> <i>condemn the defendants to reimburse all expenses that will be found to have been anticipated and/or incurred in substitution by the Ministry of the Environment;</i> <i>condemn the defendants to compensate all damages, both patrimonial and non-patrimonial, additional to the environmental damage, resulting from the injury to the environment and the injury to the protected goods/interests of the Abruzzo Region, to be liquidated equitably and in any case in an amount not less than 500,000,000 euros;</i> <i>condemn the defendants to compensate all damages, both patrimonial and non-patrimonial, additional to the environmental damage, caused to the Abruzzo Region and the Presidency of the Council of Ministers [and] the damage to the image in the amount that the Court will deem fair, and in any case not less than 50,000,000 euros".</i> <p>As mentioned in the introduction, these charges concern all areas of the Bussi SNI and mainly the management of the Bussi plant, transferred by Montedison (now Edison) to the Ausimont/Montefluos Group in 1981, the 2A and 2B landfills, opened, cultivated, and closed by Ausimont in the 1990s, and the so-called "Tremonti" area, currently owned by Tre Monti Srl, an area where production residues from the same plant were deposited in the 1970s and for which an important remediation process is currently in an advanced stage.</p> <p>Edison appeared in court on July 18, 2019, firmly contesting the opposing requests on several grounds, from the inapplicability in this context of what was established in the criminal proceedings to the lack of passive legitimacy, from time bar to the legality on the merits of the conduct under scrutiny and, finally, to the erroneous quantification of the possible environmental damage.</p> <p>The judge, after a reservation lasting over a year on the preliminary and prejudicial issues raised by Edison and on the assumption of the means of proof requested by the parties, with an order dated November 10th, 2021, provided for <i>i)</i> the postponement of the examination of Edison's preliminary and prejudicial requests to the merits and <i>ii)</i> the admission of testimonial evidence and a court-appointed technical consultancy.</p> <p>On June 19th, 2024, the "draft" of the court-appointed technical consultancy report was received by the parties' defenses.</p> <p>In the conclusions regarding the compensation obligations that would be incumbent on Edison, this "draft" report stated the following:</p> <ol style="list-style-type: none"> <i>"The primary repair measure, aimed at restoring the damaged resources to their original conditions, is estimated at 347,443,900 €.</i> <i>The complementary repair measure is estimated at 324,051,840 €.</i>

	<p>c) <i>The compensatory repair measure is estimated at 228,132,495 €.</i> <i>In total, therefore, the aforementioned repair measures are estimated at 899,628,235 €.</i></p> <p>However, the same draft, in making these estimates of the "repair measures," admitted that it "[had not] taken into account the activities already carried out and ongoing by Edison," as, on the contrary, had been explicitly requested by the judge.</p> <p>The parties' technical consultants had until December 2024 to make their considerations and counter-arguments; subsequently, the court-appointed technical consultants filed the final report, in which they took into account some of the counter-arguments made by Edison's technical consultants, without, however, modifying the conclusions of the draft.</p> <p>Evaluations regarding the court-appointed technical expertise and the state of the proceedings</p> <p>The court-appointed technical consultancy, with its conclusions, appears completely illogical and unacceptable for a series of factual and legal reasons, succinctly listed below.</p> <p>According to the constant jurisprudence of merit and legitimacy in environmental matters, <u>the compensation for environmental damage, as regulated by Part VI of Legislative Decree April 3, 2006, No. 152, is informed by the principle, expressed in paragraph 1 of article 311, according to which it must take place "in specific form", through the restoration and repair of the contaminated environmental matrices, excluding forms of compensation for economic equivalent.</u></p> <p>The expertise, however, totally omits to consider the significant restoration activities in progress, carried out by Edison, limiting itself to quantifying a form of compensation for equivalent, in clear contrast with this principle.</p> <p>Therefore, the "primary repair measure", the only legitimate damage item among those hypothesized by the court-appointed technical consultancy, can only coincide with the specific restoration interventions carried out and ongoing, which affect all the areas and zones covered by the technical consultancy itself.</p> <p>To date, for environmental remediation and restoration activities, thus "primary repair measures", in the areas covered by the judgment and the expertise Edison has already spent, or plans to spend, about 240 million euros.</p> <p>Of this the expertise gives no account, as noted above, thus blatantly diverging from the mandate given by the judge.</p> <p>This, in itself, makes the conclusions on the court-appointed technical consultancy's "primary repair" measures incongruous, unacceptable and erroneous.</p> <p>As for the "other repair measures" hypothesized by the court-appointed technical consultancy, the following is noted.</p> <p>Environmental law considers forms of "complementary repair" for environmental damage admissible only in cases where the remediation and restoration activities have not achieved, <i>ex post</i>, the desired effects and never, in any case, qualify them in an economic equivalent.</p> <p>In this case, however, and as mentioned, the restoration activities of the Bussi site are currently in full swing, and there is no evidence of even partial "ineffectiveness" of the same (indeed, the environmental matrices are significantly improving).</p> <p>Furthermore, the expertise limits itself to estimating an equivalent economic value, in clear contrast with the applicable regulations.</p> <p>Finally, the court-appointed technical consultancy quantifies "compensatory repair measures," which are those that the legal system recognizes as admissible in cases where the contamination of environmental matrices has excluded, in whole or in part, their usability for end users.</p> <p>In this regard, it is noted that since the start of the judicial proceedings to date, the lack of usability requirements of relevant environmental matrices has never been recognized and ascertained.</p> <p>All these conclusions are fully confirmed by both the environmental experts, appointed to carry out the expertise on behalf of Edison, and the Company's defense team.</p> <p>As for the proceedings, it is noted that after the filing of the technical reports, an interruptive event of the process occurred. Edison is now awaiting the hearing in which the judge will grant the terms to notify all parties involved in the process of the act of resumption filed by the defenses of the Ministry of the Environment.</p> <p>In light of the above and considering that the proceedings are still pending in the instruction phase, the timing for the issuance of the first-degree decision is currently unpredictable.</p> <p>With reference to this dispute, Edison, based on evaluations shared with leading legal and accounting advisors, believes that, on one side, the conclusions of the court-appointed technical consultancy are incongruous, illogical and erroneous both in substance, and in law, and, on the other side, the necessary requirements to define a provision do not still exist.</p>
Bussi sul Tirino - Claim for damages Municipality of Bussi	
September 25, 2023	On September 25, 2023, the Municipality of Bussi served a writ of summons on the Company before the Civil Court of Pescara seeking compensation for the damages allegedly suffered by the local authority as a result of the alleged contamination found in the Municipality of Bussi - including, in particular, damage to its image - quantified in total at 20,000,000.00 euros. The following natural persons were also defendants in the aforementioned case: Maurilio Aguggia, Carlo Cogliati, Nicola Sabatini, Domenico Alleva, Nazzareno Santini,

	Carlo Vassallo. At present, the proceedings appear to be discontinued and will have to be resumed by the Municipality of Bussi.
Bussi sul Tirino - Claim for damages Municipality of Tocco da Casauria	
April 22, 2024	On April 22, 2024, the Municipality of Tocco da Casauria notified the Company of a writ of summons before the Civil Court of Pescara for the purpose of ascertaining and declaring Edison's liability, pursuant to articles 2043 and 2059 of the Italian Civil Code, in causing the damages suffered by the Municipality of Tocco da Casauria for the damage to its territorial identity, reputation and image, due to the alleged contamination found in the Municipality itself (included in the perimeter of the Bussi sul Tirino SNI). The aforementioned damages will, if necessary, be quantified in a subsequent and appropriate judgment. The hearing is set for March 5, 2025.
Bussi sul Tirino Site of National Interest – Areas adjacent to Tremonti landfill, Tirino River sediments and Pescara River sediments	
July 2024 Regional Administrative Court Pescara	On July 18, 2024, Edison was notified of the ordinance pursuant to art. 244 of Legislative Decree 152/2006 by the Province of Pescara by which it was identified as the party responsible for the contamination of the Areas adjacent to the Tremonti Landfill in Bussi sul Tirino, also requiring it to adopt prevention and/or safety measures as well as <i>“further remediation and environmental restoration operations that may in any case be necessary”</i> . Preliminary activities to fulfill the requirements of the aforementioned order are being implemented. Edison has decided to appeal the order before the Pescara Regional Administrative Court. Against the above-mentioned order, RFI Spa filed an extraordinary appeal before the President of the Republic. On December 27, 2024, Edison served the notice of opposition for its transposition to the courts.
Montecatini Spa – Montefibre Spa – Verbania – Criminal proceedings	
2002 – 2015 Court of Verbania / Turin Court of Appeals / Court of Cassation	All these litigations concern the alleged responsibility of former Directors and executives of the company Montefibre Spa, already part of Montedison Group, for the crimes of involuntary manslaughter and involuntary personal injuries in the violation of the occupational accident prevention regulations, caused in connection with the death or illness of employees at the old plant Montefibre of Pallanza (VB) allegedly caused by exposure to asbestos. Edison is exclusively involved in its capacity as the former parent company (until 1989) of Montefibre. To date, all proceedings have led to the acquittal of the defendants on all counts (“because the fact does not exist”).
Port of Augusta - Administrative proceedings	
2020	In 2020, the Minister of Ecological Transition and the Region of Sicily signed a programme agreement for the definition of safety and remediation measures for the areas included in the "Priolo" Site of National Interest, including the port of Augusta, the portion of the marine area facing the Priolo Gargallo industrial site. As is well known, Priolo is still home to an important petrochemical plant, operated by Montecatini and then Montedison until 1989 and then passed to the Eni Group in 1990 following the events surrounding the Enimont company.

9. Other notes

9.1 Information on business combinations

The year 2024 was characterized by:

- **Some business combination's transactions** related to:
 - **Consistrol Alvarez y Asociados**
 - **Eli Frascchetta Energia**
 - **Instalaciones Ecoclima**

These transactions are reflected in the financial statements in accordance with IFRS 3 revised ("Business Combinations"), recognizing the acquired assets, liabilities and contingent liabilities at fair value at the acquisition date (Purchase Price Allocation or PPA), as detailed below.

- **Some business combination's transactions** related to:
 - **REN 201**
 - **New Solar White**
 - **SR Project 3**, which owns 100% equity stake of the company **Energia Verde Trapani**
 - **Gruppo Visconti Toscana**
 - **Gruppo Visconti Monteparano**

These transactions are reflected in the financial statements in accordance with IFRS 3 revised ("Group of assets acquisition"), recognizing the acquired assets among the tangible assets at the acquisition date, without preparing the PPA.

- **Finalization of PPA processes referred to 2023 acquisitions:**
 - **Felix Dynamics**
 - **Nuove Iniziative Energetiche N.I.E., Cuorné and its subsidiary Idro Ressia**

Please note that in 2024 the PPA processes related to the aforementioned acquisitions occurred in 2023, have been completed confirming the values booked during the preliminary allocation of the purchase prices of each acquisition. For further information please refer to the 2023 Consolidated financial statements.

- **Prometheus Energia**
During 2024 was completed the PPA process relating to the acquisition of Prometheus Energia by Edison Next and for which at December 31, 2023, goodwill of about 6 million euros was preliminarily recorded. As a result of completing the PPA process, the following was registered: (i) intangible assets of about 7 million euros related to the valuation of some contracts and authorizations, on which amount deferred taxation was calculated; (ii) goodwill of about one million euro.

The transactions carried out during 2024 are described below.

Consistrol Alvarez y Asociados

On January 31, 2024, the acquisition by Edison Next Spain of 100% of **Consistrol Alvarez y Asociados**, a company operating in the tertiary energy services sector, was finalized for a consideration of about 3 million euros; there are also some earn-outs subject to the fulfillment of certain conditions precedent.

Eli Frascchetta Energia

On December 18, 2024, Edison Next Environment completed the acquisition of 100% of **Eli Frascchetta Energia**, a company operating in the biomethane sector, for a consideration of about 4 million euros; there are also some earn-outs subject to the fulfillment of certain conditions precedent.

Instalaciones Ecoclima

On December 19, 2024, the acquisition by Edison Next Spain (formerly Edison Next Services) of 100% of **Instalaciones Ecoclima**, a company operating in the tertiary energy services sector, was finalized for a consideration of about 4 million euros; there are also some earn-outs subject to the fulfillment of certain conditions precedent.

It should be noted that for the acquisitions of Eli Frascchetta Energia and Instalaciones Ecoclima, the values recorded are to be considered provisional since, in accordance with IFRS 3 revised, the valuation becomes final within 12 months of the acquisition.

The following table summarizes the values, at the date of the acquisition, of assets and liabilities identified during the business combination's transactions described above, as well as the acquisition prices and the contribution to income statement for 2024 of the acquired entities, starting from the respective acquisition date.

(in millions of euros)	Acquired assets and liabilities			
	Consistrol Alvarez y Asociados	Eli Frascchetta Energia	Instalaciones Ecoclima	Total business combinations
ASSETS				
Property, plant and equipment	-	2	-	2
Intangible assets	-	-	-	-
Other non-current assets	-	-	-	-
Total non-current assets	-	2	-	2
Inventories	-	2	-	2
Trade receivables	2	-	2	4
Other current assets	-	-	-	-
Cash and cash equivalents	1	-	2	3
Total current assets	3	2	4	9
Total assets (A)	3	4	4	11
LIABILITIES				
Other non-current liabilities	1	-	4	5
Non-current financial debt	-	-	-	-
Total non-current liabilities	1	-	4	5
Trade payables	1	1	2	4
Other current liabilities	-	2	1	3
Current financial debt	-	-	-	-
Total current liabilities	1	3	3	7
Total liabilities (B)	2	3	7	12
Net acquired assets (A-B)	1	1	(3)	(1)
- % attributable to Edison	100%	100%	100%	
- Net assets attributable to Edison (C)	1	1	(3)	(1)
Goodwill (D-C)	2	3	7	12
Price of acquisition (D)	3	4	4	11
Cash and cash equivalents acquired (E)	(1)	-	(2)	(3)
Financial debt reimbursed (F)	-	-	-	-
Total net price paid on business combination (D+E+F)	2	4	2	8
Income statement from acquisition date				
(in millions of euros)				
Sales revenues (*)	7	-	-	7
EBITDA	1	-	-	1
Depreciation, amortization and writedowns	-	-	-	-
Net financial income (expense) (*)	-	-	-	-
Profit (Loss) before taxes	1	-	-	1
Profit (Loss)	1	-	-	1

(*) Including transactions with other companies of Edison Group.

9.2 Information pursuant to IFRS 5

9.2.1 Discontinued operations – agreement for the sale of Edison Stocaggio to Snam

Please remember that during 2023 the company Edison Stocaggio, to which the gas storage activities pertain, was the subject of strategic evaluations aimed at exploiting its potential to serve a further drive for growth in the Group's strategic sectors. These assessments led to the activation of a process for the search of a potential buyer.

Subsequently, on February 26, 2024, Edison and Snam announced the start of exclusive negotiations for the sale of 100% of Edison Stocaggio, and on July 25, 2024, the sale's agreement was signed.

The closing of the transaction is subject to clearance by the Antitrust Authority and authorization by the Prime Minister's Office and is expected by the first quarter of 2025.

Classification

In these Consolidated financial statements, in continuity with 2023 Consolidated financial statements, the gas storage activities have been treated as a discontinued operation, in accordance with IFRS 5, also considering that:

- gas storage business, represented by a specific CGU, has an important economic and equity weight within the Edison Group;
- the business operates in the gas storage in Italy; this activity is regulated by the Ministry of Economic Development (MISE) and by the Regulatory Authority for Energy, Networks and Environment (ARERA) and has peculiar characteristics compared with the other activities carried out by the Edison Group.

Evaluation of the held for sale business

IFRS 5 requires assets and liabilities held for sale to be measured at the lower of the book value and the fair value less costs to sell.

In the valuation of the discontinued operations, the fair value was estimated using as a reference the contractual agreements for the sale in place with Snam, which provide for a consideration determined through a locked box mechanism at June 30, 2023, plus accrued interest, which will be paid by Snam at the closing of the transaction in the form of a ticking fee, as well as certain additional consideration provided for by specific earn-out clauses. The consideration under the agreement results in an overall valuation of the discontinued operations up to 630 million euros.

With reference to the determination of the carrying value of the business being disposed of, as already highlighted in the 2023 Consolidated financial statements, in addition to the values of the assets and liabilities of the business, a portion of the indistinct goodwill of Gas Operations, where the Edison Stocaggio CGU was consolidated, was also considered, in compliance with the principle. This portion, estimated at 115 million euros, was identified pursuant to IAS 36 paragraph 86 using the main method of determination envisaged, the so-called "relative values" method of the assets sold.

Since the estimated fair value is higher than the carrying value, including the allocation of goodwill, no adjustment of the carrying value is necessary.

Presentation of existing relationships between continuing operations and discontinued operations

Please note that neither IFRS 5 nor IAS 1 provide guidance on how to present transactions between continuing and discontinued operations. The method chosen has led to the representation of such transactions as if the discontinued operation had already been removed from the scope of consolidation of the Edison Group, and, therefore, as if the transaction had already taken place on the date of these Consolidated financial statements. Therefore, in the Consolidated financial statements: (i) the individual income statement and balance sheet items relating to the continuing operations have been shown without taking into account the elimination of intercompany transactions between the two operations; (ii) the income statement and balance sheet items relating to the discontinued operations also include the effect of consolidation eliminations of the relationships between the two operations.

The income statement and balance sheet values of these transactions are shown in the tables below.

The criteria adopted made it possible, in particular, to represent the result and the margins of the continuing operations in a manner comparable to the results and margins that the Group will have after the disposal of the discontinued operations.

Below is provided the contribution of discontinued operations of Edison Stocaggio to profit (loss) and to assets, liabilities and financial debt of Edison Group.

Income statement (in millions of euros)	2024			2023		
	Discontinued operations Edison Stocaggio	Elimination from and versus continuing operations	Application of accounting standard IFRS 5	Discontinued operations Edison Stocaggio	Elimination from and versus continuing operations	Application of accounting standard IFRS 5
Sales revenues	89	(18)	71	88	(17)	71
Other revenues and income	2	(1)	1	1	(1)	-
Total net revenues	91	(19)	72	89	(18)	71
Commodity and logistic costs (-)	(25)	17	(8)	(28)	16	(12)
Other costs and services used (-)	(6)	1	(5)	(7)	1	(6)
Labor costs (-)	(6)	-	(6)	(6)	-	(6)
Receivables (writedowns) / reversals	-	-	-	-	-	-
Other costs (-)	(1)	1	-	(1)	1	-
EBITDA	53	-	53	47	-	47
Depreciation and amortization (-)	-	-	-	(17)	-	(17)
(Writedowns) and reversals	-	-	-	-	-	-
EBIT	53	-	53	30	-	30
Other net financial income (expense)	(10)	-	(10)	(10)	-	(10)
Profit (Loss) before taxes	43	-	43	20	-	20
Income taxes	(12)	-	(12)	(6)	-	(6)
Profit (Loss) from discontinued operations	31	-	31	14	-	14
Value adjustment discontinued operations	-	-	-	-	-	-
Profit (Loss)	31	-	31	14	-	14
Broken down as follows:						
Minority interest in profit (loss)	-	-	-	-	-	-
Group interest in profit (loss)	31	-	31	14	-	14

Please note that from the date of applicability of IFRS 5, in accordance with the requirements of the standard, depreciation and amortization on fixed assets have been stopped.

Net financial expenses also include those related to financial transactions with continuing operations.

Balance sheet discontinued operations Edison Stocaggio (in millions of euros)	12.31.2024	12.31.2023
Non-current non-financial assets	559	547
Non-current financial assets	-	-
Current non-financial assets	67	64
Current financial assets versus continuing operations	-	-
Other current financial assets	-	-
Eliminations of financial assets versus Assets held for sale	(109)	(126)
Eliminations of non-financial assets from and versus Assets held for sale (*)	(3)	(3)
Value adjustment discontinued operations	-	-
Assets Held for sale	514	482
Non-current non-financial liabilities	74	74
Non-current financial liabilities	-	-
Current non-financial liabilities	24	23
Current financial liabilities versus continuing operations	109	126
Other current financial liabilities	-	-
Eliminations of financial liabilities from Assets held for sale	(109)	(126)
Eliminations of non-financial liabilities from and versus Assets held for sale (*)	(3)	(3)
Liabilities held for sale	95	94
Net financial debt of Assets held for sale	109	126

(*) of which -2 million euros included in the segment Gas Supply & Development of Green Gases (-2 million euros at December 31, 20

Non-current non-financial assets include, amongst other, the values referred to plants and, for 115 million euros, the goodwill allocated to the business under disposal, pursuant to the IAS 36 par. 86.

Current non-financial assets mainly include gas inventories.

The non-current non-financial liabilities mainly include the provisions for decommissioning and remediation of industrial sites.

Cash flow statement Discontinued operations Edison Stocaggio (in millions of euros)	2024	2023
A. Operating cash flow from discontinued operations	35	28
B. Cash used in investing activities from discontinued operations	(18)	(19)
C. Cash used in financing activities from discontinued operations	(17)	(9)
D. Net cash flow for the year from discontinued operations (A+B+C)	-	-
E. Cash and cash equivalents at the beginning of the year from discontinued operations	-	-
F. Cash and cash equivalents at the end of the year from discontinued operations	-	-

The cash flow from operating activities refers to ordinary operations and includes taxes paid; the cash flow from investing activities includes interventions on storage sites; the cash flow from financing activities is related to the cash flow with the continuing operations, particularly with the business area Corporate & Environmental Remediation.

9.2.2 Disposal groups – sale's agreements of equity stake in Elpedison BV and of activities located in Sesto San Giovanni

Sale's agreement of 50% equity stake in Elpedison BV to Helleniq Energy Holdings SA

On November 22, 2024, Edison received an offer to sell the 50% stake held in Elpedison BV from Helleniq Energy Holdings SA, which currently owns, together with its subsidiary Helleniq Energy International GMBH, the remaining 50% stake in the company. Edison's Board of Directors, meeting on December 6, 2024, accepted the offer, which recognizes a value up to 195 million euros for the 50% stake held in Elpedison BV, which owns the entire capital of the Greek company Elpedison SA.

At the date of preparation of these Consolidated financial statements, the completion of the transaction, although subject to the signing of the definitive purchase contract between the two partners and the approval of the relevant regulatory authorities, is considered highly probable. Consequently, the investment in 50% of the capital of Elpedison BV, which was previously recorded in the balance sheet under "Investments in companies valued by the equity method", was treated as a disposal group in accordance with IFRS 5 and therefore:

- in the balance sheet at December 31, 2024, the equity investment, recorded at a carrying value of 158 million euros, is reclassified under **Assets held for sale**, while the balances at December 31, 2023 were not restated;
- in the income statement and in the flows, the representation of the contribution to the Group's values is included in continuing operations and, in particular, among the items dedicated to investments in companies valued by the equity method.

Taking into account the value recognized in the offer received, in these Consolidated financial statements, the carrying value of the equity investment, subsequently reclassified as Assets held for sale, was realigned to the pro-rata share of the investee company's equity, recognizing a total gain in the income statement of 27 million euros.

Sale's agreement of the activities located in Sesto San Giovanni to A2A

On November 29, 2024, an agreement was signed for the sale to A2A of the activities located in Sesto San Giovanni.

At the time of the preparation of these Consolidated financial statements, the completion of the sale transaction is considered highly probable. Consequently, the activities have been treated as disposal group pursuant to IFRS 5, as they do not represent on their own an important autonomous line of business for the Edison Group and therefore cannot be qualified as discontinued operations; therefore:

- in the balance sheet at December 31, 2024, the balances relating to the activities under disposal are shown under Assets and Liabilities held for sale; the balance sheet balances at December 31, 2023 are those published in the 2023 Consolidated financial statements and have not been restated;
- in the income statement and in the flows the representation of the contribution to Group values is included in continuing operations.

The following table provide the contribution of the assets and libailities of the disposal group to assets and liabilities of Edison Group.

Balance sheet disposal group Sesto (in millions of euros)	12.31.2024
Non-current non-financial assets	21
Non-current financial assets	-
Current non-financial assets	-
Other current financial assets	-
Assets held for sale	21
Non-current non-financial liabilities	19
Non-current financial liabilities	-
Current non-financial liabilities	3
Other current financial liabilities	-
Liabilities held for sale	22

The Non-current non-financial assets are related to lands, plants e buildings, in addition to deferred tax assets. Non-financial non-current liabilities include provisions for environmental risk and for site decommissioning and restoration.

9.2.3 Other amounts recognized under Assets and Liabilities held for sale

Some amounts, pertaining to the E&P business, linked to the transaction concluded in 2020 with Energean, are recognized under Assets held for sale and Liabilities held for sale at December 31, 2024.

In particular, **Assets held for sale** refer to non-financial assets for 94 million euros (65 million euros at December 31, 2023) and are represented by the estimated value of the earn-out set forth in the agreement with Energean (up to 100 million USD, related to the commissioning of Cassiopea gas field in Italy). The increase of the year is recorded under "Profit (Loss) from discontinued operations".

Liabilities held for sale refer to non-current non-financial liabilities for 29 million euros (29 million euros at December 31, 2023), including provisions for tax and environmental risks related to the sale to Energean.

For further information about sale operations executed with Energean reference should be made to 2020 Consolidated financial statements.

Liabilities referred to E&P business

Disputed municipal property taxes (ICI and IMU) on offshore hydrocarbon production platforms

Following the disposal of the E&P assets and the agreements with the counterparty Energean, Edison Spa has remained liable for any liabilities that may emerge from the demands made by some coastal municipalities to subject offshore platforms to local taxes for years before the locked-box date (December 31, 2018).

At present, for the years 2016 - 2018, disputes are pending against Edison Spa with the municipalities of Cupra Marittima and Scicli, while the dispute with the municipality of Pineto is also pending against Energean alone, with reference also to the years attributable to Edison spa.

Any charges, including pending litigation, arising from existing disputes are covered by a special provision for risks.

Edison Spa - Ministry for the Environment - request for compensation for environmental damages

On May 31, 2018, the Ministry for the Environment notified Edison of a claim for compensation for alleged environmental damages deriving from reinjection activities for the Vega 6 well of the aquifer and process waters, operated by the Vega A platform.

The request for compensation is quantified at a total maximum amount of about 80 million euros. The civil proceedings at first instance were finalized with ruling No. 3296/2022 of July 19, 2022, whereby the Court of Catania rejected the claims made by the Ministry and, in particular, the claim for compensation for pecuniary equivalent damages.

By a writ of summons on appeal served on Edison on February 18, 2023, the Ministry appealed against the aforementioned first instance ruling before the Court of Appeal of Catania, reformulating substantially the same allegations already made in the first instance.

Edison then filed a cross-appeal to contest the lack of authorization for the re-injection of the fluids in the reservoir as held by the first judge and requesting, in any event, confirmation of the rejection of the Ministry's claim for damages. The hearing for closing arguments has been set for March 5, 2024.

The Court of Appeal of Catania issued a judgement rejecting the appeal brought by the Ministry in its entirety. In this judgment, among other things, the Ministry was ordered to reimburse all the Parties involved in the litigation for the legal costs settled at both instances, totalling approximately one million euros.

The Ministry of the Environment appealed to the Court of Cassation against the judgment of the Court of Appeal of Catania with an appeal served on October 30, 2024.

The Company and the other individual defendants for whose acts Edison is liable entered an appearance on December 9, 2024.

The facts in question have already been the subject of a criminal procedure declared invalid by the competent court.

Edison believes that this claim for compensation is completely unfounded, since the activities in question are not illegal, rather, on the contrary, authorized according to the applicable regulation, have not produced any environmental damage, nor any risk of geological pollution, or pollution of the aquifer or the sea.

Consequently, the Company appeared in court requesting the full dismissal of the request from the Ministry for the Environment.

Following the agreement reached for the sale of the E&P business in July 2019, the newly formed Edison Exploration & Production Spa ("Edison E&P") assumed the liability related to this dispute. Subsequently, after the signing of the agreement for the sale of the entire share capital of Edison E&P to Energean Capital Ltd (executed on December 17, 2020), Edison committed to fully indemnify the buyer with reference to this dispute. Therefore, Edison deemed it appropriate, on a completely prudential basis, to forecast an expense correlated with the dispute. This value, together with estimates of other disposal-related expenses, had been recognized in the year 2019 in profit (loss) from discontinued operations and at December 31, 2024 is included in Liabilities held for sale.

9.3 Other commitments

In the following table are indicated the other commitments outstanding to be considered in addition to the ones disclosed, as a complement of information and homogeneity of topic, in the previous chapters.

(in millions of euros)	12.31.2024	12.31.2023	Change
Guarantees provided	1,713	1,858	(145)
Other commitments and risks	81	43	38
Total for the Group	1,794	1,901	(107)

Guarantees provided were determined based on the undiscounted amount of contingent commitments at the end of reporting period and include guarantees provided by the Group's parent company or by banks with the parent company's counter-guarantee to secure the performance of contractual obligations by subsidiaries and affiliated companies. They also include, guarantees issued to third parties concerning activities on the Power Exchange, in particular to the GME, plus sureties issued to the individual operators with which the Group carries out electricity and gas purchases and sales. Moreover, they include guarantees from banks and insurance companies related to the activities of Edison Next.

The values also include the commitments related to **Edison Stocaggio**, the following should be noted:

- **guarantees provided** by the Parent Company or by banks guaranteed by the Parent Company against it, amounting to about 10 million euros;
- **other commitments and risks**, amounting to 19 million euros (12 million euros in 2023), mainly related to the completion of investments in progress in Italy.

Unrecognized commitments and risks

It should be noted that within business Gas Supply contracts are outstanding for the importation of hydrocarbons for a total maximum nominal supply of 12.6 billion cubic meters a year. These contracts typically have an extended duration (at December 31, 2024 up to 20 years) therefore their margins are susceptible to change over time as conditions change in the economic and external competitive context and in the commodities scenarios used as a reference in the purchase cost/sale price indexing formulas. The presence of procurement price renegotiation clauses as well as revisions of flexibility conditions thus represent important elements to partially mitigate the risk noted above to which the parties may make recourse during contractual windows that open periodically.

The table below provides a breakdown of the timing for the supply of natural gas, based on minimum contractual deliveries:

		within 1 year	from 2 to 5 years	over 5 years	Total
Natural gas	Billions of m ³	12.0	41.3	46.0	99.3

The economic data are based on prospective pricing formulas.

Please also note the expected start of an additional long-term supply that will significantly contribute to the diversification and competitiveness of the Edison gas supply portfolio, or:

- the agreement developed with Venture Global for 1 million tonnes per year of LNG for 20 years (equivalent to roughly 1.4 billion cubic meters/year of natural gas) coming from the Calcasieu Pass plant (Cameron Parish, Louisiana, USA) based on a contract for the hire of an LNG vessel.

Furthermore, based on the outstanding contract in place with Terminale GNL Adriatico, Edison benefits from about 76% of the terminal's regasification capacity until 2025. Starting from 2026 and up to 2034 the subscribed capacity decreases to about 67% on the basis of an increased overall capacity of the Terminale.

9.4 Intercompany and Related-party transactions

In line with the Group policies, the economic, equity and financial transactions in place at December 31, 2024 with related parties are shown below, in accordance with the disclosure required by IAS 24. These transactions are implemented under the scope of normal operations and regulated at contractual conditions established by the parties in line with ordinary market practices.

(in millions of euros)	Related parties pursuant to IAS 24				Total for financial statement item	Impact %
	With unconsolidated Edison Group companies (A)	With controlling companies (B)	With other EDF Group companies (C)	Total for related parties		
Balance sheet transactions:						
Investments in companies valued by the equity method (*)	171	-	-	171	171	100.0%
Other non-current financial assets	12	-	-	12	95	12.6%
Trade receivables	17	-	349	366	2,690	13.6%
Current tax receivables	-	132	-	132	160	82.5%
Other current assets	1	3	28	32	461	6.9%
Current financial assets	1	3	-	4	136	2.9%
Cash and cash equivalents	-	878	-	878	921	95.3%
Trade payables	7	5	132	144	2,527	5.7%
Current tax payables	-	14	-	14	24	58.3%
Other current liabilities	-	1	4	5	665	0.8%
Current financial debt	25	22	-	47	286	16.4%
Income statement transactions:						
Sales revenues	13	26	3,753	3,792	15,387	24.6%
Other revenues and income	1	1	24	26	236	11.0%
Commodity and logistic costs	(29)	(6)	(657)	(692)	(12,338)	5.6%
Other costs and services used	(9)	(38)	(5)	(52)	(975)	5.3%
Net financial income (expense) on debt	-	43	-	43	29	n.a.
Other net financial income (expense)	-	26	(2)	24	(13)	n.a.

Fair value evaluations on derivatives outstanding with EDF Trading and EDF Sa are not reported above.

(*) The investment in Elpedison has been reclassified as Disposal Group under Assets held for sale

A) Transactions with unconsolidated Edison Group companies

These outstanding transactions relating to unconsolidated Group companies, joint ventures and affiliated companies, primarily include:

- financial transactions, consisting in lending facilities;
- commercial transactions mainly related to business area Generation & Flexibility.

Relating to Investments in companies valued by the equity method and Other non-current financial assets please refer to the chapter 5. Fixed assets, Financial assets and Provisions.

B) Transactions with controlling companies

B.1 With Transalpina di Energia (TdE)

Consolidated Corporate Income Tax (IRES) Return Filed by TdE

Please refer to the chapter 7. Taxation.

Intercompany current account

At December 31, 2024, the current account established by Edison Spa with TdE had a debit balance of about 22 million euros (debit balance of 11 million euros at December 31, 2023). During the year, interest expenses was accrued for about 9 million euros (about 1 million euros at December 31, 2023).

Dividend payment

It should be noted that following the resolution of the Shareholders' Meeting of March 27, 2024, the company Edison Spa distributed dividends and reserves to TdE for about 345 million euros, paid on April 24, 2024.

B.2 With EDF Sa

Cash-pooling

At December 31, 2024 the Edison Spa current account, dedicated to cash-pooling with EDF Sa, had a credit balance of 878 million euros (credit balance of 1,201 million euros at December 31, 2023); in 2024 interests income matured for about 52 million euros (about 31 million euros at December 31, 2023).

Credit Lines

There are no outstanding loans.

Other transactions

Considering the economic transactions, it should be noted:

- costs of the year for 36 million euros referred mainly to insurance costs, royalties for the utilization of the trademark, services rendered, and the recharges of corporate costs mainly referred to the compensation of the Board of Directors;
- sales revenues and other income for a total of 5 million euros referred mainly to the services provided in the activity relating to gas portfolio.

As part of financial transactions, Edison entered into transactions to hedge exchange rate risk that, affected by currency trends, generated a net positive balance for about 26 million euros (net negative balance for about 24 million euros in 2023), booked in Other net financial income (expense). In the same area, an income of about 22 million euros and an expense of about 6 million euros, referred to hedges on exchange rate risk on commodities, were booked respectively in Sales revenues and in Commodity and logistic costs.

At the date the Consolidated financial statements are prepared the fair value on Cash Flow Hedge and Economic Hedge derivatives outstanding with EDF Sa is estimated for a net positive amount of about 37 million euros, booked in the item Fair Value (40 million euros among Assets and 3 million euros among Liabilities).

C) Transactions with other EDF Group companies

C.1 Loans

There are no existing financing loans with other companies of the EDF Group.

C.2 Other operating transactions

The main operating transactions with other EDF Group companies are provided below:

(in millions of euros)	EDF Trading Ltd (*)	Others	Total
Balance sheet transactions:			
Trade receivables	349	-	349
Other current assets	23	5	28
Trade payables	129	3	132
Other current liabilities	4	-	4
Income statement transactions:			
Sales revenues	3,752	1	3,753
Electric power and natural gas	3,210	-	3,210
Realized commodity derivatives	542	-	542
Other revenues	-	1	1
Other revenues and income	12	12	24
Commodity and logistic costs	(657)	-	(657)
Electric power and natural gas	(844)	-	(844)
Realized commodity derivatives	191	-	191
Sundry items	(4)	-	(4)
Other costs and services used	-	(5)	(5)
Professional services	-	(5)	(5)

(*) Fair value evaluations on derivatives outstanding are not reported above.

Please note that the agreement of joint venture between Edison and EDF Trading governs both proprietary trading and forward market power access activities. In this context there are booked "Other revenues and income" for about 12 million euros (about 16 million euros at December 31, 2023); it is also booked a financial expense in "Other net financial income (expense)" for about 2 million euros.

There are derivatives qualified as Cash Flow Hedge, Fair Value Hedge and Economic Hedge outstanding with EDF Trading; the fair value estimated on such derivatives is booked in the balance sheet in the item Fair Value among assets and liabilities (net liabilities for 178 million euros); the estimated economic effects, mainly related to the Fair Value Hedge contracts, are booked in the income statement in the item Net change in fair value of derivatives (commodity and exchange rate risk).

Furthermore, note that during the year insurance reimbursements of about 12 million euros were obtained by Wagram Insurance Company.

10. Criteria and methods

10.1 Criteria and methods of consolidation

The financial statements used for consolidation purposes are the latest statutory or consolidated statements of the individual companies or business operations, approved by respective corporate governance bodies, with the adjustments required to make them consistent with Group accounting principles. In the event that the financial year does not coincide with the calendar year, situations approved by the respective Boards of Directors that reflect the Group's financial year have been considered.

Subsidiaries are consolidated using the global line-by-line method beginning from the date on which the Group effectively acquired control. On said date, the carrying amount of equity investments is eliminated by offsetting it against the underlying interest in the respective shareholders' equity, and the individual assets and liabilities and contingent liabilities are measured at their fair value. Any residual value, if positive, is recognized in the item "Goodwill". In particular, if the purchase is carried out in several phases, at the date on which control is acquired, the entire equity investment held is remeasured at fair value; thereafter, any additional acquisition or disposal (assuming that the control is maintained) of stakes in investments is managed as a transaction between shareholders recognized in equity, similarly to the costs incurred for the acquisition or sale of stakes; the changes in contingent consideration are recognized in income statement.

The portions of equity and profit or loss for the period attributable to minority shareholders are shown separately in the financial statements.

Investee companies cease to be consolidated from the date when control is transferred to a third party; the sale of an equity interest that causes loss of control results in the recognition in the income statement of (i) any gain or loss determined as the difference between the proceeds from the sale and the corresponding pro-rata interest in the shareholders' equity of the investee sold to a third party; (ii) any result attributable to the divested company carried among the other components of comprehensive income that can be reclassified into profit or loss; and (iii) the result from the adjustment to fair value, measured on the date of the loss of control, of any minority interest retained by Edison.

Companies managed through contractual agreements, pursuant to which two or more parties who share control through unanimous consent have the power to direct relevant decisions and govern exposure to future variable returns, that qualify as joint operations are recognized by the proportional method directly in the separate financial statements of the entities that are parties to the agreements. In addition to recognizing the attributable share of assets and liabilities, expenses and revenues, the corresponding obligations must also be evaluated. Similarly, when a company participates in a joint operation through contractual agreements, even without sharing joint control, it recognizes in the separate financial statements its stake of assets, liabilities, costs and revenues as well as the obligations of which it is entitled under contract.

Other interests in joint ventures and affiliated companies over which a significant influence can be exercised, but which do not qualify as joint operations, are valued by the equity method.

Subsidiaries that are in liquidation or are parties to composition with creditors proceedings are not consolidated and are carried at their estimated realizable value; their impact on the Group's total assets and liabilities and net financial debt is not significant.

Significant assumptions in determining control in accordance with IFRS 12

IFRS 10 provides the definition of control: an entity controls an investee when it is exposed, or has rights, to its returns from its involvement in the management and has the ability to affect those returns through its power over the investee.

With reference to this principle, Edison fully consolidates Tre Monti, of which it holds 20% through its subsidiary Edison Regea, since it is a company established by Edison to carry out the activities related to the decontamination of the Bussi site; based on the agreements signed, Edison contractually undertakes to provide Tre Monti with the financial resources needed to carry out the project for the decontamination of the Bussi site and obtain a decontamination certificate.

IFRS 10 specifies that in determining control attention should be paid to the purpose and objectives of the investee, the risks that are transmitted to the parties involved and the level of involvement that the party exercising control had in defining the structure of the investee.

Consolidation of foreign companies and criteria used to translate items denominated in foreign currencies

Assets and liabilities of foreign companies that are denominated in currencies other than the euro are translated at the exchange rates in force at the end of the reporting period. Income and expenses are translated at the average rates for the year. Any resulting gains or losses are recognized in equity, more specifically in the “Reserve for other components of comprehensive income”, until the corresponding equity investment is sold.

Upon first-time adoption of the IFRS principles, cumulative translation differences generated by the consolidation of foreign companies were written off and, consequently, the reserve recognized in the consolidated financial statements reflects only cumulative translation differences that arose after January 1, 2004.

Transactions in foreign currencies are recognized at the exchange rate in force on the transaction date. Monetary assets and liabilities are translated at the exchange rates in force at the end of the reporting period. Any resulting foreign exchange translation differences and those realized when the positions are closed are recognized as financial income or expense.

10.2 Valuation criteria

10.2.1 Use of estimated values

The preparation of the consolidated financial statements and the accompanying notes requires the use of estimates and assumptions both in the measurement of certain assets and liabilities and the valuation of contingent liabilities. The actual results that will arise upon the occurrence of the relevant events could differ from those estimates.

The estimates and assumptions used are revised on an ongoing basis, and the impact of any such revision is immediately recognized in the financial statements.

The use of estimates is particularly significant for the following topics:

- the evaluation that property, plant and equipment and intangible assets, including goodwill, are recognized in the financial statements for a value no higher than their recoverable amount (“impairment testing”). First and foremost, the impairment testing process calls for testing the sustainability of the value of the individual assets broken down into Cash Generating Units (CGUs) and, subsequently, a test on goodwill with reference to the aggregates of the CGUs to which it was allocated (“Generation & Flexibility”, “Gas Supply & Development of Green Gases” and “Clients & Services”). Finally, due to the presence of general expenses that aren’t allocated and couldn’t be objectively related to the abovementioned CGUs, the test is performed on the Group as a whole (so-called “second level” impairment test).

The CGUs, which have been identified in a way that is consistent with the Group’s organizational and business structure and aligned to the Group’s strategic axes, are assets that generate cash inflows independently, through their continued use; technologies and target markets were also taken into account, further distinguished, where appropriate, by the reference country.

At each reporting date, Edison verifies whether there is any indication that an asset may have suffered a loss in value (impairment indicator), with the exception of goodwill, which is annually subjected to mandatory impairment testing.

IAS 36 defines the recoverable amount as the higher of the fair value of an asset or cash generating unit, less costs to sell, and its value in use. Thus, the recoverability of the value of fixed assets is verified by comparing the carrying amount recorded in financial statements with the related recoverable value, after deducting from both the values of any risk provision recognized for costs to decommission and remediate sites.

The recoverable amount is calculated as the value in use through the discounting of cash flows expected from the use of the asset or a CGU as well as the amount expected from its disposal at the end of its useful life. This process entails the use of estimates and assumptions to determine both the amount of future cash flows and the corresponding discounting rates.

Future cash flows are based on the most recent economic-financial plans developed by the Management with reference to the functioning of productive assets (production, operating and capital expenses, useful life of the assets), the market environment (sales, prices of reference commodities, margins) and the evolution of the regulatory and legislative framework. In particular, in developing future cash flows, reference was made to:

- the 2025 budget approved by the Board of Directors on December 6, 2024;

- the 2026-2028 Medium-Term Plan approved by the same Board;
- the long-term plan drawn up by senior management.

When the valuation entails estimate beyond the forecast period included in the economic-financial plans developed every year by the management, projections based on conservative growth assumptions are used.

The valuation of assets entailed an estimation of cash flows until the end of the useful life of the fixed assets including, if present, a residual value when activities are completed.

Specifically, to determine the recoverable amount of goodwill, a terminal value was calculated that is consistent with the long-term plan based on business continuity assumptions. In detail were valued: the investment costs necessary for the renewal/replacement of the expiring hydroelectric concessions, the repowering of thermoelectric assets and renewable power plants, and the investments necessary for the sustainability of a normalized cash flow over long term for other business (in particular for long-term supply contracts and retail, B2B and Public Administration contracts).

These assumptions and the corresponding financials were deemed to be suitable for impairment test purposes by the Board of Directors of February 19, 2025, which approved the results.

With reference to the businesses in which the Group operates, the factors with the greatest importance in estimating future cash flows are:

- o for the Generation & Flexibility business area CGUs: the PUN and Spark Spread scenarios, developments in Italian sector regulation in terms of rules and incentives for producers (e.g. capacity payment), the trend in domestic demand, participation in FerX tenders for the renewable sector and the scenario of legislative uncertainty regarding the renewal of hydroelectric concessions;
- o for the Gas Supply & Development of Green Gases business area CGUs: the price of oil commodities, natural gas and EUR/USD exchange rate scenario and the prices of solid waste (FORSU);
- o for the Clients & Services business area CGUs: the evolution of Service contracts in the portfolio, organic growth and churn rates in the Retail market;
- o for the goodwill, the growth rate needed to assess the terminal value.

The discount rates were estimated through the determination of the weighted average cost of capital (WACC), considering the specific risks of the activities (so-called *beta* coefficient) and countries in which the Group operates and are based on data observable in the financial markets.

The Company relies on an independent expert to determine the recoverable amount and, through statistical simulation techniques (Montecarlo method), to weight the cash flows linked to variables with the greatest risk of volatility (capacity payment remuneration tariffs, customer list's churn rates, parameters of discount rates and growth rates, the level of non-discretionary investments to maintain normal business operating conditions).

For the results of the test conducted in 2024, please refer to the paragraph 5.1 - section 5.1.4 Impairment test in accordance with IAS 36.

- the valuation of certain provisions for risks and charges, such as:
 - o **provisions for decommissioning and remediation of industrial sites.** The assessment of the future liabilities arising from the obligation of decommissioning and remediation of industrial sites is a complex process based on technical and financial estimates performed by the Management and supported, when necessary, by independent experts' appraisals. These liabilities reflect the estimated costs of dismantling, removal and restoration that the Group will incur at the end of the production and functioning of an industrial site to restore the environmental conditions according to the standards required by national legislation and/or specific contractual clauses.

The initial evaluation of the remediation costs, deducted the estimated revenues arising from the sale of any recoverable part, is assessed considering the forecasted inflation at the time of the decommissioning and calculating the present value at a free-risk rate. The evaluation is made on prudential assumptions considering the market conditions and the legal and technological framework at the time of the assessment. The initial amount is then recorded with the carrying amount of the industrial asset to be remediate and it is subject to depreciation; as counter-item is booked a provision for decommissioning for the same amount. Considering the time component of the provision, the amount is yearly updated by its financial component and the charge is booked at income statement in financial expenses.

At the end of any reporting period, the evaluations are updated with the aim to guarantee that the amounts recognized are the best estimate of the potential future cost and, in case of material adjustment, the amounts are revised. The main drivers potentially determining a revision are: a change in the useful life of the production site, market scenarios, technological progress, changes in the environmental rules, fluctuations of discount and inflation rates.

- **provisions for legal and tax disputes**, among which the types requiring a greater use of Management assumptions and estimates are **the provisions related to legal proceedings substantially for environmental damage** (non-Energy Activities), related to legal and arbitral disputes ranging in different types and involving the Group as a party via Edison Spa as universal successor of Montedison Spa, merged in it. In detail, the provisions recognized in relation to disputes arising from events over the time, related to the management of chemical production plants already held by Montedison Group – that were object, from 1990s to 2010, of a wide-range divestment policy in accordance with the Edison Group choice to convert its activity to the energy sector – the quantification and the review of these provisions are part of a recurring process of assessment based on the juridical complexity and the type of proceedings; likewise, and in general, the periodical assessment concerns also the quantification and updating of the other provisions for risk related to legal and arbitral disputes. Income statement and balance sheet impacts of the abovementioned disputes are outside the current Group's business and consequently they are isolated starting from 2018 Consolidated financial statements as non-Energy Activities and their disclosure is included in chapter 8. Non-Energy Activities.
- measurement of certain sales revenues, specifically sales revenues of electric power and natural gas to end customers. These revenues are booked considering the invoiced sales based on the regular reading of the consumptions attributable to the year and an estimation of the supplied commodity not yet invoiced at the end of the reporting period.

The estimation is calculated with specific algorithms taking into account the nature of the commodity and the typology of customer supplied and considering:

- 1) volumes distributed (on the basis of information provided by third parties in charge of transportation and distribution);
- 2) end consumers historical consumption profiles;
- 3) network losses and adjustments depending on atmospheric conditions or other drivers which may affect the consumption profiles.

Concerning the first point, the existing regulatory framework encompass the possibility to volumes adjustments up to five years after the consumption period and this is the main source of uncertainty in the natural gas sale estimation. The second point, on the other hand, is the main driver in the electricity consumption estimate notably for residential customers.

At the end of any reporting period, the revenues from natural gas and electricity sales to residential and end customers include an estimation on the consumption of the last two months.

10.2.2 Other valuation criteria

10.2.2.1 Net working capital

Inventories

Inventories attributable to the so-called Industrial Activities are valued at the lower between the purchase or production cost, including incidental expenses, determined applying the FIFO method, and the estimated realizable value.

Trade receivables, Other assets, Trade payables, Other liabilities

They are defined financial instruments. Their initial amount is recognized at fair value; concerning trade receivables which don't include a material financial component, the value of initial recognition is the price of the transaction. The assessment of recoverability of receivables is performed using the Expected Credit Losses model disciplined by IFRS 9.

About the conditions for derecognizing of receivables and payables from the balance sheet, please refer to the comments concerning financial assets and liabilities in the section 10.2.2.6 below.

Revenues from contracts with customers are booked pursuing IFRS 15. We remind that, at the moment of first-adoption of this standard, the application of two rules – “principal versus agent” and “combination of contracts” – determined a reduction of the same amount of ‘Sales Revenues’ and ‘Commodity and logistic costs’ with no impact on the EBITDA.

Sales revenues include, among other things, the capacity payment.

The full amount of operating grants is recognized in the income statement when the conditions for recognition can be met. Items that qualify as operating grants include the incentives provided for the production of electric power with facilities that use renewable sources which are measured at fair value in accordance with IAS 20.

Costs are recognized when they relate to goods and/or services that have been consumed during the year.

Valuation of medium/long-term contracts for the importation of natural gas (so-called take-or-pay)

Under the terms of medium/long-term contracts for the importation of natural gas, the Group is required to take delivery of a minimum annual quantity of natural gas. If delivery of the minimum annual quantity is not achieved, the Group is required to pay the consideration attributable to the undelivered quantity. This payment can be treated either as an advance on future deliveries or as a penalty for the failure to take delivery. The first situation (advance on future deliveries) occurs in the case of undelivered quantities at the end of the reporting period for which there is a reasonable certainty that, over the remaining term of the contract, the shortfall will be made up in future years by means of increased deliveries of natural gas, in excess of minimum annual contract quantities. The second situation (penalty for failure to take delivery) occurs in the case of undelivered quantities for which there is no expectation that the shortfall can be made up in the future. The portion of the payment that qualifies as an advance on future deliveries is initially recognized in “Other non-current assets” pursuant to IAS 38. The recognized amount is maintained after periodical ascertaining that: i) over the residual duration of the contract, the Group estimates that it will be able to recover the volumes below the contractual minimum (quantitative valuation); ii) it is believed that the contracts entail, over their entire residual lives, expected positive net cash flows based on approved Company plans (economic valuation). These recoverability assessments are also applied to quantities that, while scheduled for delivery, were still undelivered and unpaid at the end of the reporting period, the payment for which will occur in the following period. The corresponding amount is recognized as a commitment.

Advances are reclassified to inventory only when the company actually takes delivery of the gas or are recognized in the income statement as penalties when it is unable to take delivery of the gas. In the evaluation of the expected realizable value of the gas inventory may be taken into account, as a price adjustment, if applicable, any contractual renegotiations on a three-year basis of the price of delivered natural gas.

10.2.2.2 Derivatives

Financial derivatives, including embedded derivatives which are separated from the primary contract, are assets and liabilities measured at fair value.

In the context of the risk management strategy and purposes, the classification of derivatives as hedges requires: (i) to check the presence of an economic relationship between the derivative and the hedged item which could offset the related fluctuation in value without being affected by counterpart’s credit risk; (ii) to define an hedge ratio coherent with the risk management objectives in the context of the risk management strategy defined by the Group, operating, where necessary, the appropriate rebalancing actions. The change of risk management objectives, the end of the conditions stated above for the classification of derivatives as hedges or the start of rebalancing operations will determine the prospective end, complete or partial, of the hedging relationship.

The Group applies extensively the hedge accounting, according to IFRS 9 criteria, specifically:

- a) when derivatives hedge the risk of changes in the fair value of the hedged items (Fair Value Hedge), derivatives are measured at fair value with changes recognized directly in the income statement; accordingly, the hedged items are adjusted to reflect, in the income statement, changes in fair value associated with the hedged risk;
- b) when derivatives hedge the risk of fluctuations in the cash flow of the hedged items (Cash Flow Hedge), any change in the fair value of the derivatives considered effective is in a first time recognized in equity reserve and in other components of comprehensive income and, later, transferred to the income statement in conjunction with the gains or losses generated by the hedged item.

It should be noted that the economic effect of the trades related to the purchase or sale of commodities made for the Group’s needs for the ordinary course of business and for which it is expected the settlement through the physical delivery of the related goods, are recognized on an accrual basis (so-called own use exemption).

The fair value of financial instruments that are traded on an active market is based on their market price at the end of the reporting period (Level 1). The fair value of financial instruments that are not traded on an active market is determined using appropriate valuation techniques (Level 2: proprietary models with market inputs; Level 3: proprietary models).

10.2.2.3 Tangible, intangible assets and goodwill

Property, plants and equipment

In the financial statements, these assets are shown at purchase or production cost, or at their conveyance value, including any attributable incidental costs and direct costs deemed necessary to make them operable, net of any capital grants.

After the acquisition property, plants and equipment are booked using the cost model.

Costs incurred for maintenance performed at regular intervals, in particular in thermoelectric (so-called major maintenance and/or revamping) and wind power (so-called refitting) sectors, are added to the respective assets and are written off over the remaining useful lives of the assets.

The estimated realizable value that the Group expects to recover at the end of an asset's useful life is not depreciated. Property, plant and equipment are depreciated each year on a straight-line basis at rates based on technical and financial estimates of the assets' remaining useful lives.

The depreciation of the portion of assets that is transferable at no cost is taken on a straight-line basis over the remaining term of the respective contracts (taking into account any renewals/extensions) or their estimated useful lives, whichever is shorter.

Upon first-time adoption of the IFRS principles, the Group used fair value as deemed cost. As a result, accumulated depreciation and amortization and the provision for writedowns booked through January 1, 2004 were derecognized.

Beginning on January 1, 2009, borrowing costs directly attributable to the acquisition, construction or production of an asset with a significant useful life are capitalized, when the investment amount exceeds a predetermined threshold. Until December 31, 2008, financial expense was not capitalized.

Leases assets (IFRS 16) – as lessee

The rules of IFRS 16 were applied adopting some simplifications (so-called practical expedients) allowed, for which the contracts lasting less than twelve months and some contracts of negligible value were excluded from the evaluation. Based on this standard, a lease is defined as a contract for which, in exchange for a consideration, the lessee is entitled to control the use of an identified asset, for a determined period of time. The application of the principle to the identified contracts has determined the recognition of an asset, which represent the right of use, plus, when applicable, any accessory costs required to make the asset ready for use. The right of use is subject to systematic amortization over the shortest of the technical-financial useful life of the asset and the residual term of the contract. The corresponding financial liability, recorded as financial debt, is equal to the present value of future minimum compulsory lease payments that the lessees will have to pay and will be reduced over time as the lease fees are paid.

In transition the exemption of booking deferred-taxes has been applied according to IAS 12 "Income tax".

It should also be noted that at the time of initial recognition of a contract, the right of use and the debt are measured by discounting future lease payments over the entire duration of the lease, also taking into account the hypothesis of contract renewal or early termination only in cases where the exercise of these options is reasonably certain. For discounting purposes, the explicit rate indicated in the contract is generally used, if available. In its absence, the rate on the lessee's marginal debt is used, determined (i) on the basis of current market rates, (ii) with a country risk premium, (iii) taking into account the duration of the contracts and the credit risk of the specific company (type of business and company turnover).

The following table shows the range of the depreciation rates relating to **Property, plant and equipment** class:

	Generation & Flexibility		Gas Supply & Development of Green Gases		Clients & Services		Corporate & Environmental remediation	
	min.	max.	min.	max.	min.	max.	min.	max.
Buildings	2.0%	12.0%	3.0%	10.0%	3.0%	10.0%	3.0%	8.0%
Plant and machinery	3.0%	17.0%	3.0%	20.0%	5.0%	30.0%	6.0%	18.0%
Other assets	10.0%	25.0%	10.0%	25.0%	12.0%	25.0%	2.0%	20.0%

Intangible assets and Goodwill

Intangible assets are shown at purchase cost. After the acquisition they are booked using the cost model and are depreciated on a straight-line base on the base of the expected useful life. The intangible assets recorded have a finite useful life.

Goodwill is not amortized, but the recoverability of its carrying amount is tested at least once a year (impairment test); eventual writedowns cannot be reversed in subsequent periods.

The Group evaluate the recoverability of the incremental costs incurred to obtain new contracts on the basis of factors such as potential renewals or new types of contracts with the same customer, according to the provisions of IFRS 15. The following were capitalized under intangible assets: (i) incremental costs that can be attributed to a specific contract, which would not have been incurred if the contract had not been entered into, (ii) in the presence of a new contract entered into with the customer for a specific period, (iii) for which it is likely that the capitalized costs will be recovered through revenues generated by the sales contract and (iv) when it is possible to have an adequate process/system for tracking the incremental cost and the specific associated sales contract. The types of capitalized costs include sale fees recognized to agents when the new contract is activated, accessory sale costs such as the fees recognized on new purchase contracts, etc. The asset recognized is amortized on a straight-line basis on the basis of the useful life.

Environmental Securities

The Group secures a supply primarily of CO₂ emissions rights to meet its own requirements in the exercise of its industrial activities.

Specifically, "Intangible assets" can include emissions rights, which are recognized at the cost incurred to acquire them, provided that the rights carried by the Group at the end of the reporting period represent a surplus over its requirements of such instruments, based on the emissions released during the year. Emissions rights allocated free of charge and utilized for the compliance purpose are recognized at a zero carrying value. Since these assets are designed for instantaneous use, they are tested for impairment and cannot be amortized. Their recoverable value is their value in use or their market value, whichever is greater. On the other hand, if, at the end of the reporting period, the volume of the emissions actually generated is greater than the volume of allocated emissions and any purchased emissions, a special provision for risks is recognized to account for the difference. Any emissions rights that are surrendered each year, based on the volume of polluting emissions released into the atmosphere each year or the production generated, will be deleted (so-called compliance) using any reserves for risks set aside the previous year.

The costs attributable to the period are recorded as "Commodity and logistic costs" (this item includes, if any, those referred to facilities divested during the period attributable to the seller). During the year, the expected costs are calculated valuing at market prices the difference between the emissions of the period and the rights owned; in the case of which there are hedging derivatives related to the purchases of rights (typically futures with physical delivery), their fair value is recorded as an adjustment of the expected cost.

10.2.2.4 Other financial assets

Application of IFRIC 12 "Service Concession Arrangements" to public lighting contracts

In order to assess the applicability of IFRIC Interpretation 12 "Service Concession Arrangements" to the public lighting contracts of Citelum Italia (now Edison Next Government) which have been acquired in 2022, the Edison Group as concessionaire carried out a careful analysis of the existing contracts and, based on the results of this analysis, IFRIC 12 was found to be applicable. Pursuant to IFRIC 12, when the concessionaire (Edison) has an unconditional right to receive

cash or another financial asset from the grantor as remuneration for construction services under concession without having a demand risk, the financial asset model applies. In this context, the infrastructure built and operated under these contracts cannot be recorded in the operator's financial statements as property, plant and equipment, but is accounted for as operating financial receivable. Any investment grants received and obtained outright in accordance with IAS 20 are presented as a reduction of operating finance receivables recognized in accordance with IFRIC 12; in the financial asset model, investment grants are treated as a repayment of the principal portion of the operating financial receivable.

Specifically, during the construction phase, an operating financial receivable is recognized in the balance sheet and sales revenue is recognized in the income statement, in accordance with the percentage-of-completion method prescribed by IFRS 15 for construction activities. Operating financial receivables are initially measured at the lower of fair value and the sum of discounted future cash flows (using the contract implied interest rate) and, subsequently, recognized at amortized cost using the effective interest method, in accordance with IFRS 9; interest income capitalized from time to time is recognized in EBITDA. Operating financial receivables represent the right to receive contractual cash flows that have the characteristics of a loan.

Also recognized under sales revenue are additional contractual revenues from the sale of electricity and for other services rendered, in accordance with IFRS 15.

Leases (IFRS 16) – as lessor

When acting as a lessor, it is determined on the start date of each contract whether the lease is financial or operational.

Leases into which the Group transfers substantially all the risks and rewards associated with ownership of the underlying asset are classified as **Assets for financial leasing**; otherwise, they are classified as operating leases.

To carry out this assessment, the Group considers the indicators provided by IFRS 16. If the remuneration of the contract contains components related to the rental of the asset as well as the provision of services, the Group allocates the consideration of the contract by applying IFRS 15. The Group accounts for rental income from operating leases systematically over the term of the contract on an accrual basis.

10.2.2.5 Provision for risks and employee benefits

Employee Benefits

The Group provides short-term benefits to employees (e.g. leave, production bonus, flexible benefits related to welfare services and performances), whose costs are accrued in the period during which the employee works for the Group.

Concerning the liability for employee severance indemnities, it should be noted that, in accordance with Budget Law No. 296 of December 27, 2006, only the liability for vested employee severance benefits that remained at the Company was valued for IAS 19 purposes, since the portion applicable to future vesting benefits is being paid to separate entities (supplemental pension funds or INPS funds). Following the enforcement of this law and as a result of these payments, the company has no further obligations with regard to the work that employees will perform in the future. So, the Group considers the portion accrued before the abovementioned reform as a “defined-benefits plan”, while the portion accrued after the reform a “defined-contribution plan”.

Provisions for risks and charges

Provisions for risks and charges are recognized when there is an obligation at the date of financial statements and are evaluated at the best estimation of the charges required to fulfill the above stated obligations. The estimation is assessed at any financial statements date and, when necessary, a new quantification is reflected. For further information, please see the previous section 10.2.1 Use of estimated values.

10.2.2.6 Shareholders' equity, Financial debt and cost of debt

Dividends are recognized when the shareholders are awarded the rights to collect them, which generally occurs in the year when the disbursing investee company holds a Shareholders' Meeting that approves a distribution of earnings or reserves.

Financial assets are initially recognized at fair value; after the initial recognition, financial assets that generates contractual cash flows consisting only in capital repayment and interests are evaluated at amortized cost.

The recoverability assessment of financial assets not evaluated at fair value with effects on income statement is performed using the expected credit losses model envisaged by IFRS 9.

Financial liabilities, except for derivatives, are initially recognized at fair value of the consideration received, net of transaction costs directly attributable and, then, are evaluated at amortized cost.

Regarding financial debt for leasing (IFRS 16) please refer to the comments in the section 10.2.2.3. above.

Financial income and **expense** are recognized when accrued.

Derecognition of financial assets and liabilities

Financial assets are derecognized when they no longer convey the right to receive the related cash flows and substantially all of the risks and benefits conveyed by the ownership of the assets have been transferred (so-called derecognition) or when an asset is deemed to be totally non-recoverable after all necessary recovery procedures have been carried out.

Financial liabilities are derecognized when the corresponding contractual obligations are extinguished. Changes to existing contract terms can qualify as an extinguishing event if the new terms materially alter the original stipulations and, in any case, when the present value of the cash flows that will be generated under the revised agreements differs by more than 10% from the value of the discounted cash flows of the original liability.

Financial assets and liabilities are offset in the balance sheet when there is a legal right to offset, currently exercisable, and there is the intention to settle the obligation on a net basis (i.e. to recover the asset and settle the liability simultaneously).

10.2.2.7 Taxation

Current tax liabilities and assets are evaluated at the amount that is expected to be paid at Tax Authorities, calculated applying the tax rates in force or substantially in force at the date of financial statements.

Deferred-tax assets are recognized only when their future recovery is probable. The valuation of deferred-tax assets must be carried out taking into account the company's planning horizon, based on available approved company plans.

The deferred-tax liability on retained earnings of Group companies is recognized only if there is truly an intent to distribute those earnings and provided that the tax liability is not cancelled when a consolidated tax return is filed.

The tax treatments for which there is uncertainty about their application are evaluated separately or in conjunction with other situations of tax ruling uncertainty depending on the approach which better represents the resolution. The Group records the uncertain tax treatments on the basis of the probability that the Tax Authority will accept this treatment. The assessment of the uncertain tax treatment can be performed using one between the two methods that represent better the uncertain tax treatment: i) the most probable amount, ii) the expected value. Please refer also to what stated at the previous section 10.2.1 Use of estimated values.

11. Other information

11.1 Significant non-recurring events and transactions

In accordance with CONSOB Communication n° DEM/6064293 of 28 July 2006, we note that during 2024, no significant non-recurring events and transactions are reported.

11.2 Transactions resulting from atypical and/or unusual activities

The Edison Group declares that it did not execute atypical and/or unusual transactions in 2024 as defined in the CONSOB Communication No. DEM/6064293 of July 28, 2006.

11.3 Information pursuant to Article 1, Sections 125-129, Law No. 124 of 2017

Please note that the following table does not include cash inflows of 2024 deriving from green certificates, feed-in tariff, white certificates and "conto energia" incentives, as they represent a consideration for supplies and services provided.

(Values in euros, presented according to a "cash criterion")

Company	Description of the contribution received (if higher than 10,000 euros each)	Lender of the contribution	Amount
Edison Spa	Grant related to the operating program Horizon Europe for the project H-HOPE – Hidden Hydro Oscillating Power for Europe	European Climate, Infrastructure and Environment Executive Agency (CINEA) ("EU executive agency" or "granting authority"), under powers delegated by the European Commission.	27,469
Edison Spa	Grant related to the operating program Horizon Europe for the project FLEX4H2 – Flexibility for Hydrogen	Clean Hydrogen Joint Undertaking ("EU Implementing Agency" or "Licensing Authority"), under powers delegated by the European Commission.	14,983
Edison Next Spa	Grant related to the operating program Connecting Europe Facility - Transport for the project Boosting Ultra-Fast Charging Network in Italy	European Climate, Infrastructure and Environment Executive Agency (CINEA) ("EU executive agency" or "granting authority"), under powers delegated by the European Commission.	2,610,000

Significant events occurring after December 31, 2024

There are no significant events reported after December 31, 2024.

Milan, February 19, 2025

The Board of Directors

By Nicola Monti

Chief Executive Officer

Scope of consolidation at December 31, 2024

List of equity investments

A) Investments in companies included in the scope of consolidation

Companies consolidated line by line

Company name	Head office	Currency	Share capital	Consolidated Group interest (a)		Interest held in share		Type of investments relationship (c)	Notes
				12.31.2024	12.31.2023	% (b)	by		
GROUP PARENT COMPANY									
Edison Spa	Milan (MI) (IT)	EUR	4,736,117,250						
GENERATION & FLEXIBILITY									
Cerbis Srl (Single shareholder)	Milan (MI) (IT)	EUR	20,000	51.00	51.00	100.00	Edison Rinnovabili Spa	S	1
Cuornè Srl (Single shareholder)	Milan (MI) (IT)	EUR	100,000	100.00	100.00	100.00	Edison Spa	S	1
Edison Bess Srl (Single shareholder) (Ex Axpo Storage It1 Srl (Single shareholder))	Milan (MI) (IT)	EUR	10,000	100.00	100.00	100.00	Edison Spa	S	1
Edison Rinnovabili Spa	Milan (MI) (IT)	EUR	4,200,000	51.00	51.00	51.00	Edison Spa	S	1
Elio Sicilia Srl (Single shareholder)	Palermo (PA) (IT)	EUR	10,000	51.00	51.00	100.00	Edison Rinnovabili Spa	S	1
Energia Italia Srl (Single shareholder)	Milan (MI) (IT)	EUR	20,000	100.00	100.00	100.00	Edison Spa	S	1
Energia Verde Trapani Srl (Single shareholder)	Milan (MI) (IT)	EUR	10,000	51.00	-	100.00	Sr Project 3 Srl (Single shareholder)	S	1
Energie Rinnovabili Arpitane Srl - Era Srl (Single shareholder)	Aosta (AO) (IT)	EUR	100,000	100.00	100.00	100.00	Edison Spa	S	1
Frendy Energy Spa	Milan (MI) (IT)	EUR	14,829,312	76.97	76.97	76.97	Edison Spa	S	1
Gruppo Visconti Monteparano Srl (Single shareholder)	Milan (MI) (IT)	EUR	10,000	51.00	-	100.00	Edison Rinnovabili Spa	S	1
Gruppo Visconti Toscana Srl (Single shareholder)	Milan (MI) (IT)	EUR	10,000	51.00	-	100.00	Edison Rinnovabili Spa	S	1
Idro Ressa Srl (Single shareholder)	Milan (MI) (IT)	EUR	787,496	100.00	100.00	100.00	Cuornè Srl (Single shareholder)	S	1
Idroblu Srl	Milan (MI) (IT)	EUR	100,000	39.26	39.26	51.00	Frendy Energy Spa	S	2
Idrocarrù Srl	Milan (MI) (IT)	EUR	20,410	39.26	39.26	51.00	Frendy Energy Spa	S	2
Idroelettrica Dogana Srl	Milan (MI) (IT)	EUR	10,000	70.00	70.00	70.00	Energia Italia Srl (Single shareholder)	S	1
Mf Energy Srl (Single shareholder)	Milan (MI) (IT)	EUR	10,000	51.00	51.00	100.00	Edison Rinnovabili Spa	S	1
New Solar White Srl (Single shareholder)	Milan (MI) (IT)	EUR	10,000	51.00	-	100.00	Edison Rinnovabili Spa	S	1
Nuove Iniziative Energetiche N.I.E. Srl (Single shareholder)	Milan (MI) (IT)	EUR	2,040,000	100.00	100.00	100.00	Edison Spa	S	1
Ren 143 Srl (Single shareholder)	Milan (MI) (IT)	EUR	1,500	51.00	51.00	100.00	Edison Rinnovabili Spa	S	1
Ren 144 Srl (Single shareholder)	Milan (MI) (IT)	EUR	1,500	51.00	51.00	100.00	Edison Rinnovabili Spa	S	1
Ren 201 Srl (Single shareholder)	Milan (MI) (IT)	EUR	1,500	51.00	-	100.00	Edison Rinnovabili Spa	S	1
Sistemi Di Energia Spa	Milan (MI) (IT)	EUR	10,083,205	99.52	99.52	99.52	Edison Spa	S	1
Sr Project 3 Srl (Single shareholder)	Milan (MI) (IT)	EUR	10,000	51.00	-	100.00	Edison Rinnovabili Spa	S	1
Tes Development Srl (Single shareholder)	Milan (MI) (IT)	EUR	10,000	51.00	51.00	100.00	Edison Rinnovabili Spa	S	1
GAS SUPPLY & DEVELOPMENT OF GREEN GASES									
Ambyenta Lazio Srl	Rivoli (TO) (IT)	EUR	10,000	70.00	70.00	70.00	Edison Next Environment Srl (single shareholder)	S	1

Company name	Head office	Currency	Share capital	Consolidated Group interest (a)		Interest held in share		Type of investments relationship (c)	Notes
				12.31.2024	12.31.2023	% (b)	by		
Biometano Veneto Srl	Milan (MI) (IT)	EUR	400,000	90.00	-	90.00	Edison Next Environment Srl (Single shareholder)	S	1
Biotech Srl (Single shareholder)	Rivoli (TO) (IT)	EUR	1,050,000	100.00	80.00	100.00	Edison Next Environment Srl (Single shareholder)	S	1
Deposito Gnl Brindisi Srl - DGB Srl (Single shareholder)	Milan (MI) (IT)	EUR	1,000,000	100.00	100.00	100.00	Edison Spa	S	-
Edison International Spa (Single shareholder)	Milan (MI) (IT)	EUR	75,000,000	100.00	100.00	100.00	Edison Spa	S	1
Edison Next Environment Srl (Single shareholder) - Green Gases Development	Rivoli (TO) (IT)	EUR	1,000,000	100.00	100.00	100.00	Edison Next Spa (Single shareholder)	S	1
Eli Fraschetta Energia - Società Agricola Srl (Single shareholder)	Milan (MI) (IT)	EUR	1,000,000	100.00	-	100.00	Edison Next Environment Srl (Single shareholder)	S	1

CLIENTS & SERVICES

Amg Gas Srl	Palermo (PA) (IT)	EUR	100,000	80.00	80.00	80.00	Edison Energia Spa (Single shareholder)	S	1
Conef Solutions Slu	Madrid (E)	EUR	3,001	100.00	100.00	100.00	Edison Next Spa (Single shareholder)	S	-
Consistrol Alvarez Y Asociados Slu	Madrid (E)	EUR	6,000	100.00	-	100.00	Edison Next Spain Slu	S	-
Consorzio Interrompibilità We're	Milan (MI) (IT)	EUR	5,300	94.34	94.34	94.34	Edison Energia Spa (Single shareholder)	S	-
Covedi Compagnia Veneziana D'illuminazione Scarl	Milan (MI) (IT)	EUR	1,000,000	60.00	60.00	60.00	Edison Next Government Srl (Single shareholder)	S	-
Don Diego Solar Sl	Barcelona (E)	EUR	3,100	97.80	97.80	89.00 11.00	Edison Next Government Srl (Single shareholder) Esigman Soluciones Sl	S	-
Ecotermica Ciriè Srl	Rivoli (TO) (IT)	EUR	10,000	60.00	60.00	60.00	Edison Next Spa (Single shareholder)	S	1
Edf Fenice Maroc	Casablanca (MA)	MAD	300,000	100.00	100.00	0.03 99.97	Edison Next Spa (Single shareholder) Edison Next Spain Slu	S	-
Edison Energia Spa (Single shareholder)	Milan (MI) (IT)	EUR	40,000,000	100.00	100.00	100.00	Edison Spa	S	1
Edison Next Environment Srl (Single shareholder) - Client & Services	Rivoli (TO) (IT)	EUR	1,000,000	100.00	100.00	100.00	Edison Next Spa (Single shareholder)	S	1
Edison Next Government Napoli Scarl	Milan (MI) (IT)	EUR	260,000	99.50	99.50	99.50	Edison Next Government Srl (Single shareholder)	S	-
Edison Next Government Srl (Single shareholder)	Milan (MI) (IT)	EUR	64,900,000	100.00	100.00	100.00	Edison Next Spa (Single shareholder)	S	1
Edison Next Poland Sp.z.o.o.	Bielsko-Biala (PL)	PLZ	30,000,000	100.00	100.00	100.00	Edison Next Spa (Single shareholder)	S	-
Edison Next Portugal Uniperssoal Lda	Lisbona (P)	EUR	5,000	100.00	-	100.00	Edison Next Spain Slu	S	-
Edison Next Recology Srl (Single shareholder)	Rivoli (TO) (IT)	EUR	50,000	100.00	100.00	100.00	Edison Next Environment Srl (Single shareholder)	S	1

Company name	Head office	Currency	Share capital	Consolidated Group interest (a)		Interest held in share		Type of investments relationship (c)	Notes
				12.31.2024	12.31.2023	% (b)	by		
Edison Next Services Poland Sp.z.o.o.	Bielsko Biala (PL)	PLZ	600,000	100.00	100.00	100.00	Edison Next Poland Sp.z.o.o.	S	-
Edison Next Spa (Single shareholder)	Rivoli (TO) (IT)	EUR	330,500,000	100.00	100.00	100.00	Edison Spa	S	1
Edison Next Spain Slu (Ex Edison Next Services Slu)	Madrid (E)	EUR	6,016	100.00	100.00	100.00	Edison Next Spa (Single shareholder)	S	-
Edison Next Teleriscaldamento Srl (Single shareholder)	Rivoli (TO) (IT)	EUR	120,000	100.00	100.00	100.00	Edison Next Spa (Single shareholder)	S	1
Esigman Soluciones SI	Barcelona (E)	EUR	3,100	80.00	80.00	80.00	Edison Next Government Srl (Single shareholder)	S	-
Fenice Assets Iberica SI	Madrid (E)	EUR	10,000	100.00	100.00	100.00	Edison Next Spain Slu	S	-
Fompedraza Cogeneracion Sa	Fompedraza (Valladolid) (E)	EUR	113,400	90.00	90.00	90.00	Edison Next Spain Slu	S	-
Gaxa Spa	Cagliari (CA) (IT)	EUR	3,100,000	99.00	95.00	99.00	Edison Energia Spa (Single shareholder)	S	1 - 7
Girasol Renewable SI	Barcelona (E)	EUR	3,100	97.60	97.60	88.00 12.00	Edison Next Government Srl (Single shareholder) Esigman Soluciones SI	S	-
Hinojo Certero SI	Barcelona (E)	EUR	3,100	97.00	97.00	85.00 15.00	Edison Next Government Srl (Single shareholder) Esigman Soluciones SI	S	-
Instalaciones Ecoclima Slu	Zaragoza (E)	EUR	9,000	100.00	-	100.00	Edison Next Spain Slu	S	-
Interecogen Srl (Single shareholder)	Rivoli (TO) (IT)	EUR	110,000	100.00	100.00	100.00	Edison Next Spa (Single shareholder)	S	1
Jara Meridional SI	Barcelona (E)	EUR	3,100	97.20	97.20	86.00 14.00	Edison Next Government Srl (Single shareholder) Esigman Soluciones SI	S	-
Luce Neapolis Srl Luneia Srl	Milan (MI) (IT)	EUR	500,000	75.00	-	75.00	Edison Next Government Srl (Single shareholder)	S	1
Margarita Alternativa SI	Barcelona (E)	EUR	3,100	97.40	97.40	87.00 13.00	Edison Next Government Srl (Single shareholder) Esigman Soluciones SI	S	-
Prometheus Energia Srl (single shareholder)	Rivoli (TO) (IT)	EUR	100,000	100.00	100.00	100.00	Edison Next Spa (Single shareholder)	S	1
Tabacchi Srl (Single shareholder)	Milan (MI) (IT)	EUR	298,488	100.00	100.00	100.00	Edison Next Government Srl (single shareholder)	S	1

CORPORATE & ENVIRONMENTAL REMEDIATION

Atema Dac	Dublin (IRL)	EUR	1,500,000	100.00	100.00	100.00	Edison Spa	S	-
Edison Hellas Sa	Athens (GR)	EUR	263,700	100.00	100.00	100.00	Edison Spa	S	-
Edison International Shareholdings Spa (Single shareholder)	Milan (MI) (IT)	EUR	26,000,000	100.00	100.00	100.00	Edison Spa	S	1
Edison Regea Srl (Single shareholder)	Milan (MI) (IT)	EUR	2,000,000	100.00	-	100.00	Edison Spa	S	1
Nuova Alba Srl (Single shareholder)	Milan (MI) (IT)	EUR	2,016,457	100.00	100.00	100.00	Edison Regea Srl (Single shareholder)	S	1
Tre Monti Srl	Milan (MI) (IT)	EUR	100,000	20.00	20.00	20.00	Edison Regea Srl (Single shareholder)	S	3

ASSET HELD FOR SALE

GAS SUPPLY & DEVELOPMENT OF GREEN GASES

Edison Stocaggio Spa (Single shareholder)	Milan (MI) (IT)	EUR	90,000,000	100.00	100.00	100.00	Edison Spa	S	1
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B) Investments in companies valued by the equity method

Company name	Head office	Currency	Share capital	Consolidated Group interest (a) 12.31.2023	Interest held in share		Carrying value (in millions of euros) (d)	Type of investments relationship (c)	Notes
					% (b)	by			
Igi Poseidon Sa-Nat.gas Subm. interc.gre-Ita-Poseidone (*)	Athens (GR)	EUR	149,850,000		50.00	Edison International Shareholdings Spa (Su)	66	JV	4
Chioggia Servizi Scarl	Chioggia (VE) (IT)	EUR	20,000		25.00	Edison Next Government Srl (Single shareholder)	-	AC	-
Depositi Italiani Gnl Spa	Ravenna (RA) (IT)	EUR	20,000,000		30.00	Edison Spa	6	AC	-
Dolomiti Edison Energy Srl	Trento (TN) (IT)	EUR	5,000,000		49.00	Edison Spa	28	AC	-
Enlumenats Costa Brava Sociedad Limitada	Girona (E)	EUR	6,010		50.00	Edison Next Government Srl (Single shareholder)	-	AC	-
Idroelettrica Restituzione Srl	Novara (NO) (IT)	EUR	10,000		50.00	Energia Italia Srl (Single shareholder)	6	AC	-
Iniziativa Universitaria 1991 Spa	Varese (VA) (IT)	EUR	16,120,000		32.26	Edison Spa	5	AC	-
Italia Servizi Integrati Spa	Milan (MI) (IT)	EUR	1,000,000		40.00	Edison Next Government Srl (Single shareholder)	-	AC	-
Kraftwerke Hinterrhein Ag	Thusis (CH)	CHF	100,000,000		20.00	Edison International Shareholdings Spa (Su)	23	AC	-
Melagrana Srl	Vigevano (PV) (IT)	EUR	20,000		22.15	Edison Next Government Srl (Single shareholder)	-	AC	-
Nyox Srl	Borgo Chiese (TN) (IT)	EUR	1,000,000		49.00	Edison Next Spa (Single shareholder)	25	AC	-
Prometeo Spa	Ancona (AN) (IT)	EUR	2,826,285		20.91	Edison Energia Spa (Single shareholder)	2	AC	5
Puglia Green Hydrogen Valley - Pghyv Srl	Bari (BA) (IT)	EUR	2,750,471		50.00	Edison Spa	2	JV	4
San Gerardo Servizi Scarl	Zola Pedrosa (BO) (IT)	EUR	10,000		40.00	Edison Next Government Srl (Single shareholder)	-	AC	-
T.e.s.i. Engineering Srl	Trento (TN) (IT)	EUR	104,000		24.00	Edison Next Government Srl (Single shareholder)	-	AC	-
Triferr Ambiente	Rivoli (TO) (IT)	EUR	11,001		30.91	Edison Next Environment Srl (Single shareholder)	-	AC	-
					2.43	Edison Regea Srl (Single shareholder)			
Trireme Srl	Rivoli (TO) (IT)	EUR	10,000		48.00	Edison Regea Srl (Single shareholder)	-	AC	-
Wind Energy Pozzallo Srl	Milan (MI) (IT)	EUR	100,000		50.00	Edison Spa	8	AC	-
Total investments in companies valued by the equity method							171		
(*) The Carrying Value Includes The Valuation Of ICGB AD									
ICGB AD	Sofia (BG)	BGL	115,980,740		50.00	Igi Poseidon Sa-Nat.gas Subm. interc. Gre-Ita-Poseidone (*)	-	JV	4
ASSET HELD FOR SALE									
Elpedison Bv (**)	Amsterdam (NL)	EUR	1,000,000		50.00	Edison International Shareholdings Spa (Su)	158	JV	4
(**) The Carrying Value Includes The Valuation Of Elpedison Sa									
Elpedison Sa	Marousi Attiki (GR)	EUR	99,633,600		100.00	Elpedison Bv	-	JV	4

C) Investments in companies in liquidation or subject to permanent restrictions

Company name	Head office	Currency	Share Capital	Consolidated Group interest (a) 12.31.2023	Interest held in share		Carrying value (in millions of euros) (d)	Type of investments relationship (c)	Notes
					% (b)	by			
Energy Perfor.comp.per Il Trentino Scarl (In liquidation)	Trento (TN) (IT)	EUR	135,000	55.00	55.00	Edison Next Government Srl (Single shareholder)	-	S	-
Esco Brixia Srl (In liquidation)	Bovegno (BS) (IT)	EUR	45,000		10.00	Edison Next Government Srl (Single shareholder)	-	NG	-
Nuova C.i.s.a. Spa (In liquidation) (Single shareholder)	Milan (MI) (IT)	EUR	1,549,350		100.00	Edison Spa	2	S	1
Nuova I.s.i. Impianti Selez. Inerti Srl (In bankruptcy)	Vazia - Rieti (RI) (IT)	L in Euros	150,000,000 77,468.53		33.33	Edison Spa	-	AC	-
Palmanova Servizi Energetici Scarl (In liquidation)	Zola Predosa (BO) (IT)	EUR	10,000		40.00	Edison Next Government Srl (Single shareholder)	-	AC	-
Poggio Mondello Srl (Single shareholder)	Palermo (PA) (IT)	EUR	364,000		100.00	Nuova C.i.s.a. Spa (In liquidation) (single shareholder)	-	S	1
Sistema Permanente Di Servizi Spa (In bankruptcy)	Rome (RM) (IT)	EUR	154,950		12.60	Edison Spa	-	NG	-
Soc.gen.per Progr.cons.e Part. Spa (In receivership)	Rome (RM) (IT)	L in Euros	300,000,000 159,937.07		59.33	Edison Spa	-	S	-
Total investments in companies in liquidation or subject to permanent restrictions							2		

D) Investments in other companies valued at fair value through profit and loss

Company name	Head office	Currency	Share Capital	Consolidated Group interest (a) 12.31.2023	Interest held in share		Carrying value (in millions of euros) (d)	Type of investments relationship (c)	Notes
					% (b)	by			
Amsc - American Superconductor	Devens (MA) (USA)	USD	307,363		0.05	Edison Spa	-	NG	-
Bake Two Srl	Milan (MI) (IT)	EUR	13,889		8.00	Edison Spa	-	NG	-
Città Salute Ricerca Milano Spa	Milan (MI) (IT)	EUR	5,000,000		10.00	Edison Next Government Srl (Single shareholder)	1	NG	-
Distretto Tecnologico Trentino Soc.cons. Resp Lim.	Rovereto - Fraz. Borgo Sacco (TN) (IT)	EUR	231,000		1.21	Edison Next Government Srl (Single shareholder)	-	NG	-
Easyfeel Srl	Milan (MI) (IT)	EUR	15,143		5.98	Edison Spa	-	NG	-
Endeavour Srl	Portalbera (PV) (IT)	EUR	57,136		14.03	Edison Spa	-	NG	-
European Energy Exchange Ag - Eex	Lipsia (D)	EUR	60,075,000		0.50 (*)	Edison Spa	1	NG	-
Hydrogen Park - Marghera Per L'idrogeno Scarl	Venice (VE) (IT)	EUR	245,000		9.73	Edison Spa	-	NG	-
Musa Scarl	Milan (MI) (IT)	EUR	100,000		7.00	Edison Spa	-	NG	-
Reggente Spa	Lucera (FG) (IT)	EUR	260,000		5.21	Edison Spa	-	NG	-
Renit Group Srl	Giulianova (TE) (IT)	EUR	300,000		19.49	Edison Next Government Srl (Single shareholder)	-	NG	-
Synchron Nuovo San Gerardo Spa	Zola Predosa (BO) (IT)	EUR	8,160,000		6.85	Edison Next Government Srl (Single shareholder)	1	NG	-
Syremont Monument Management Spa	Rose (CS) (IT)	EUR	600,000		9.24	Edison Spa	-	NG	6
Total investments in other companies valued at fair value through profit and loss							3		

(*) Percentage of voting securities held with exercisable voting rights in Ordinary Shareholders' Meeting 0.76

Companies added to the scope of consolidation in the year ended December 31, 2024

Company name	Head office	Currency	Share capital at 12.31.2024	Consolidated Group interest
ACQUIRED COMPANIES				
Consistrol Alvarez y Asociados Slu	Madrid (E)	EUR	6.000	100,00
Eli Frascchetta Energia-Società Agricola Srl (Single shareholder)	Milan (MI) (IT)	EUR	1.000.000	100,00
Energia Verde Trapani Srl (Single shareholder)	Milan (MI) (IT)	EUR	10.000	51,00
Gruppo Visconti Monteparano Srl (Single shareholder)	Milan (MI) (IT)	EUR	10.000	51,00
Gruppo Visconti Toscana Srl (Single shareholder)	Milan (MI) (IT)	EUR	10.000	51,00
Instalaciones Ecoclima Slu	Zaragoza (E)	EUR	9.000	100,00
New Solar White Srl (Single shareholder)	Milan (MI) (IT)	EUR	10.000	51,00
Ren 201 Srl (Single shareholder)	Milan (MI) (IT)	EUR	1.500	51,00
Sr Project 3 Srl (Single shareholder)	Milan (MI) (IT)	EUR	10.000	51,00
ESTABLISHED COMPANIES				
Biometano Veneto Srl	Milan (MI) (IT)	EUR	400.000	90,00
Edison Next Portugal Uniperssoal Lda	Lisbona (P)	EUR	5.000	100,00
Edison Regea Srl (Single shareholder)	Milan (MI) (IT)	EUR	2.000.000	100,00
Luce Neapolis Srl Luneia Srl	Milan (MI) (IT)	EUR	500.000	75,00

Companies removed from the scope of consolidation in the year ended December 31, 2024

Company name	Head office	Currency	Share capital at 12.31.2023	Consolidated Group interest at 2024	Consolidated Group interest at 12.31.2023
MERGED COMPANIES					
Assistenza Casa Spa (Single shareholder)	Milan (MI) (IT)	EUR	50,000	100,00	100,00
Attiva Spa (Single shareholder)	Milan (MI) (IT)	EUR	200,000	100,00	100,00
Cellina Energy Srl (Single shareholder)	Milan (MI) (IT)	EUR	5,000,000	100,00	100,00
Edison Next Spain Sl	Madrid (E)	EUR	12,000,000	100,00	100,00
Edison Reggane Spa (Single shareholder)	Milan (MI) (IT)	EUR	200,000	100,00	100,00
Energia Etica Srl (Single shareholder)	Milan (MI) (IT)	EUR	375,000	100,00	100,00
Felix Dynamics Srl (Single shareholder)	Aosta (AO) (IT)	EUR	20,000	100,00	100,00
Jesi Energia Spa	Milan (MI) (IT)	EUR	3,148,900	100,00	70,00
Magnoli & Partners Srl (Single shareholder)	Rivoli (TO) (IT)	EUR	10,000	100,00	100,00
Ren 141 Srl (Single shareholder)	Milan (MI) (IT)	EUR	1,500	51,00	51,00
Ren 145 Srl (Single shareholder)	Milan (MI) (IT)	EUR	1,500	51,00	51,00
Ren 153 Srl (Single shareholder)	Milan (MI) (IT)	EUR	1,500	51,00	51,00
Ren. 147 Srl (Single shareholder)	Milan (MI) (IT)	EUR	1,500	51,00	51,00
Sistrol Sa	Madrid (E)	EUR	1,496,094	100,00	75,00
Sorrento Power And Gas Srl (Single shareholder)	Milan (MI) (IT)	EUR	100,000	100,00	100,00
Winbis Srl (Single shareholder)	Milan (MI) (IT)	EUR	120,000	51,00	51,00
LIQUIDATED COMPANIES					
Energy Performance Company Per Il Trentino Scarl	Trento (TN) (IT)	EUR	135,000	55,00	55,00

Notes

(a) The consolidated Group interest is computed on the basis of the interest held in the respective share capital by the Parent Company or subsidiaries consolidated on a line-by-line basis.

(b) The interest in the share capital is equivalent to the ratio between the aggregate par value of all equity securities held directly and the total share capital. In this computation, the denominator (total share capital) is net of any treasury shares held.

(c) S = subsidiary; JV = joint venture; AC = affiliated company; NG = non-Group company.

(d) The carrying value is shown only for companies valued by the equity method or at cost, owned directly by the Parent Company. For other companies consolidated on a line-by-line basis or by the proportional method, it is shown only if it is equal to or greater than one million euros.

(1) Company subject to the oversight and coordination of Edison Spa.

(2) Company subject to the oversight and coordination of Frendy Energy Spa.

(3) Company not controlled according to nr. 2359 of the Civil Code.

(4) Company valued with equity method according to IFRS 11.

(5) Of which n. 183,699 of common shares and n. 407,136 of common share cat. A.

(6) On 1/30/07 Edison exercised the option to sell its equity investment, with respect to which the counterparty is now in default.

(7) Given the existence of options on minority interests, the shareholders' equity reflected in consolidated financial statements is entirely attributable to parent company shareholders for the companies Gaxa Spa.

The currency codes used in this report are those of the ISO 4217 International Standard.

BGL	Bulgarian Lev	MAD	Moroccan dirham
CHF	Swiss franc	PLZ	Polish zloty
EUR	Euro	USD	U.S. dollar
L	Italian lira		

Certification of the Consolidated financial statements pursuant to Art. 81-ter of CONSOB Regulation No. 11971 of May 14, 1999, as amended

1. We, the undersigned Nicola Monti, in my capacity as “Chief Executive Officer”, Ronan Lory and Roberto Buccelli, in our capacity as “Dirigenti Preposti alla redazione dei documenti contabili societari” of Edison Spa, taking into account the provisions of Article 154-*bis*, Sections 3 and 4, of Legislative Decree No. 58 of February 24, 1998, certify that the administrative and accounting procedures applied to prepare the Consolidated financial statements at December 31, 2024:
 - a) were adequate in light of the Company’s characteristics; and
 - b) were properly applied.

2. We further certify that:
 - 2.1. the Consolidated financial statements:
 - a) were prepared in accordance with applicable international accounting principles recognized by the European Union pursuant to Regulation (EC) No. 1606/2002 of the European Parliament and Council of July 19, 2002;
 - b) are consistent with the data in the accounting records and other corporate documents;
 - c) provide a truthful and fair presentation of the balance sheet, income statement and financial position of the issuer and of all of the companies included in the scope of consolidation;

 - 2.2. the Management Section of Management, Sustainability and Governance Report includes a reliable analysis of the developments and results from operations, as well as of the position of the issuer and all of the companies included in the scope of consolidation, together with a description of the main risks and contingencies to which they are exposed.

Milan, February 19, 2025

Chief Executive Officer

Nicola Monti

**“Dirigenti Preposti alla redazione
dei documenti contabili societari”**

Ronan Lory
Roberto Buccelli

Report of the Independent Auditors



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(The accompanying translated consolidated financial statements of the Edison Group constitute a non-official version which is not compliant with the provisions of Commission Delegated Regulation (EU) 2019/815. This independent auditors' report has been translated into English solely for the convenience of international readers. Accordingly, only the original Italian version is authoritative.)

Independent auditors' report pursuant to article 14 of Legislative decree no. 39 of 27 January 2010 and article 10 of Regulation (EU) no. 537 of 16 April 2014

*To the shareholders of
Edison S.p.A.*

Report on the audit of the consolidated financial statements

Opinion

We have audited the consolidated financial statements of the Edison Group (the "group"), which comprise the consolidated balance sheet as at 31 December 2024, the consolidated income statement and other components of the comprehensive income statement, cash flow statement and statement changes in consolidated shareholders' equity for the year then ended and notes thereto, which include material information on the accounting policies.

In our opinion, the consolidated financial statements give a true and fair view of the financial position of the Edison Group as at 31 December 2024 and of its financial performance and cash flows for the year then ended in accordance with the IFRS Accounting Standards issued by the International Accounting Standards Board and endorsed by the European Union, as well as the Italian regulations implementing article 9 of Legislative decree no. 38/05.

Basis for opinion

We conducted our audit in accordance with the International Standards on Auditing (ISA Italia). Our responsibilities under those standards are further described in the "*Auditors' responsibilities for the audit of the consolidated financial statements*" section of our report. We are independent of Edison S.p.A. (the "parent") in accordance with the ethics and independence rules and standards applicable in Italy to audits of financial statements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Key audit matters

Key audit matters are those matters that, in our professional judgement, were of most significance in the audit of the consolidated financial statements of the current year. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.



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Recoverability of goodwill, intangible assets and property, plant and equipment

Key audit matter	Audit procedures addressing the key audit matter
<p>The consolidated financial statements at 31 December 2024 include goodwill of €2,107 million, intangible assets of €375 million and property, plant and equipment of €3,867 million.</p> <p>In 2024, the group revisited its segment reporting in accordance with IFRS 8 and identified three new operating segments that replaced its previous "Electric Power Operations" and "Gas Operations" operating segments, namely the "Generation & Flexibility", "Gas Supply & Development of Green Gases" and "Clients & Services" segments. Assisted by an independent expert, the group allocated goodwill of €1,028 million to the "Generation & Flexibility" segment, €651 million to the "Gas Supply & Development of Green Gases" segment and €428 million to the "Clients & Services" segment.</p> <p>Impairment testing entails checking firstly the recoverability of the carrying amount of the assets allocated to the individual cash-generating units ("CGUs") and secondly of the CGUs to which goodwill is allocated (the "Generation & Flexibility", "Gas Supply & Development of Green Gases" and "Clients & Services" segments).</p> <p>Lastly, a second-level impairment test of the entire group is performed, due to the existence of overheads that are neither allocated nor objectively allocable to the above CGUs.</p> <p>The group tests its assets for impairment with the assistance of an independent expert, by estimating their recoverable amount (i.e., value in use) and weighing, through statistical simulation techniques (Monte Carlo method), the cash flows linked to the variables with the greatest risk of volatility (capacity market remuneration, customer churn rates, discount rate parameters, growth rates and the level of non-discretionary investments to maintain normal business operating conditions).</p> <p>Impairment testing is complex and requires management to use estimates and assumptions about the expected cash flows and the appropriate discount rates.</p> <p>The group estimated the expected cash flows mainly on the basis of:</p> <ul style="list-style-type: none">the 2025 budget approved by the board of directors on 6 December 2024;the 2026-2028 medium-term business plan approved by the board of directors on the same date;	<p>We checked how management calculated the CGUs' value in use by challenging the methods and assumptions used in impairment testing.</p> <p>Our audit procedures, carried out partly by involving experts of the KPMG network, included the following:</p> <ul style="list-style-type: none">understanding the group's impairment testing procedure;assessing the consistency of the cash flows used for impairment testing with the projected cash flows of the medium-term business plan.analysing the reasonableness of the key assumptions used to estimate cash flows, including through sector data analyses;comparing actual figures to forecasts to assess any discrepancies and the reliability of the estimation process;challenging the reasonableness of the discount rate (WACC);checking the mathematical accuracy of the model used to calculate the CGUs' value in use;checking the calculation of the carrying amount of the groups of CGUs respectively making up the "Generation & Flexibility", "Gas Supply & Development of Green Gases" and "Clients & Services" segments, the assets as a whole and comparing it with the recoverable amount resulting from the impairment tests;checking the consistency of the allocation of goodwill with IAS 36;challenging management's sensitivity analysis;checking whether how management carried out impairment tests complied with the IFRS;assessing the appropriateness of the disclosures provided in the notes about the impairment tests and their compliance with the requirements of IAS 36.



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Key audit matter	Audit procedures addressing the key audit matter
<ul style="list-style-type: none">the long-term business plan prepared by management. <p>The most significant variables affecting the estimated cash flows are as follows:</p> <ul style="list-style-type: none">for the CGUs of the "Generation & Flexibility" segment: variations in the national single price (PUN) and the related spark spread, changes in the Italian regulations governing and incentivising producers (e.g., capacity payment), national demand trends, participation in FerX tenders for the renewable sector and the legal uncertainty about the renewal of hydroelectric concessions;for the CGUs of the "Gas Supply & Development of Green Gases" segment: variations in the price of oil commodities and natural gas, in the EUR/USD exchange rate and in the price of solid waste (FORSU);for the CGUs of the "Clients & Services" segment: changes in the service contracts in portfolio, organic growth and churn rates in the retail market;for goodwill: the growth rates underlying the determination of the terminal value. <p>Considering the materiality of the carrying amount of assets and the subjectivity affecting the estimated cash flows and the most significant variables set out above, we believe that impairment testing is a key audit matter.</p> <p>Notes "10.2.1 Use of estimated values" and "5.1.4 Impairment test in accordance with IAS 36" to the consolidated financial statements present the disclosures about the impairment tests, including a sensitivity analysis of the key variables used for impairment testing.</p>	

Recognition of revenue from sales carried out between the last metering date and the reporting date

Key audit matter	Audit procedures addressing the key audit matter
<p>Revenue from sales of electricity and natural gas of €4,994 million and €6,496 million, respectively, include sales invoiced on the basis of actual metering and the estimated commodities sold but not yet invoiced at the reporting date.</p> <p>The related estimation methods differ depending on the type of commodity and end-user, considering the following variables:</p> <ol style="list-style-type: none">volumes transported (according to communications from third parties: i.e., carriers and distributors);	<p>We carried out the following audit procedures on the estimated revenue from the sales carried out between the last metering date and the reporting date:</p> <ul style="list-style-type: none">understanding the revenue recognition process and the main controls implemented by the group;checking the algorithms and data used in the IT systems, including by involving our IT specialists;performing substantive procedures on the electricity and gas volumes considered in the estimation;



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Key audit matter	Audit procedures addressing the key audit matter
<p>2. the customer's historical data;</p> <p>3. network losses and adjustments to reflect weather conditions or other factors that may affect estimated consumption.</p> <p>The first variable is subject to potential adjustments up to the fifth subsequent year under applicable laws. The estimate has a greater impact on revenue from the sale of natural gas. On the other hand, customers' historical data have a greater impact on the estimated revenue from the sale of electricity to residential customers.</p> <p>We believe that how the above revenue from sales is determined is a key audit matter, taking into account i) the discretionary component of any estimates; (ii) the materiality of the total amount; (iii) the large number of transactions involving users and (iv) the effort necessary to carry out the related audit procedures, which require the involvement of experienced personnel and specialists.</p> <p>Note "10.2.1 Use of estimated values" to the consolidated financial statements discloses the revenue recognition policies used by the group.</p>	<ul style="list-style-type: none"> • checking the accuracy of the selling prices used in the estimation; • comparing the estimates recognised in the consolidated financial statements with the subsequent actual figures; • assessing the appropriateness of the disclosures provided in the notes.

Provisions for disputes in relation to non-energy activities

Key audit matter	Audit procedures addressing the key audit matter
<p>The consolidated financial statements at 31 December 2024 include provisions for disputes in relation to non-energy activities of €727 million.</p> <p>These provisions cover: i) disputes, litigation and contracts, ii) contractual guarantees on the sale of equity investments and iii) environmental risks.</p> <p>The group is involved in several legal proceedings, especially for environmental restoration and clean-up of polluted areas stemming from its past industrial activities. As a matter of fact, since Montedison S.p.A. was merged into Edison S.p.A., the latter is the successor to all rights and obligations of the former.</p> <p>This means that the consolidated financial statements include costs for environmental activities and provisions for disputes arising from events dating back in time and relating, inter alia, to the chemical production sites that were part of the Montedison Group, which were included in the extensive discontinuation process carried out between the nineties and the first decade of this century that led to the Edison Group's refocusing on the energy sector.</p> <p>Management uses estimates and assumptions to assess the probable impacts of the numerous legal proceedings relating to these remediation and clean-up activities. Those used to estimate the provisions for</p>	<p>Our audit procedures included:</p> <ul style="list-style-type: none"> • understanding the controls implemented by the group over the process for the identification, initial recognition and monitoring of proceedings and investigations at the organisation's various levels; • understanding the controls implemented by the group over the process for the identification, initial recognition and updating of provisions; • assessing the reasonableness of management's estimation methods in relation to the requirements of the IFRS; • analysing the accounting policies and assumptions used by management to estimate provisions; • checking the accuracy and completeness of the data used for the estimates; • discussing the progress of the most significant disputes with the group's legal department; • sending requests for information to the legal advisors assisting the group and checking the consistency of the information obtained with the risk assessment made by management and the legal and tax departments;



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Key audit matter	Audit procedures addressing the key audit matter
<p>litigation of a substantially environmental nature, which are related to the chemical facilities of the Montedison Group, are the most significant estimates and assumptions.</p> <p>Considering the complexity of the pending proceedings, the uncertainty of the estimation process and the significant potential effects on the group's financial position, financial performance and cash flows, we believe that this is a key audit matter.</p> <p>Notes "8 Non-energy activities" and "10.2.1 Use of estimated values" to the consolidated financial statements present the disclosures about estimates of provisions.</p>	<ul style="list-style-type: none">• analysing supporting documentation, including minutes of the board of directors' meetings, agreements with counterparties and updates prepared by the group;• analysing the events after the reporting date up to the date of this report;• assessing the appropriateness of the disclosures provided in the notes.

Responsibilities of the parent's directors and board of statutory auditors ("Collegio Sindacale") for the consolidated financial statements

The directors are responsible for the preparation of consolidated financial statements that give a true and fair view in accordance with the IFRS Accounting Standards issued by the International Accounting Standards Board and endorsed by the European Union and the Italian regulations implementing article 9 of Legislative decree no. 38/05 and, within the terms established by the Italian law, for such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

The directors are responsible for assessing the group's ability to continue as a going concern and for the appropriate use of the going concern basis in the preparation of the consolidated financial statements and for the adequacy of the related disclosures. The use of this basis of accounting is appropriate unless the directors believe that the conditions for liquidating the parent or ceasing operations exist, or have no realistic alternative but to do so.

The *Collegio Sindacale* is responsible for overseeing, within the terms established by the Italian law, the group's financial reporting process.

Auditors' responsibilities for the audit of the consolidated financial statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISA Italia will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of an audit in accordance with ISA Italia, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error,



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as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control;

- obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the group's internal control;
- evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors;
- conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the group to cease to continue as a going concern;
- evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation;
- obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with those charged with governance, identified at the appropriate level required by ISA Italia, regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with the ethics and independence rules and standards applicable in Italy and communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, the measures taken to eliminate those threats or the safeguards applied.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current year and are, therefore, the key audit matters. We describe these matters in this report.

Other information required by article 10 of Regulation (EU) no. 537/14

On 28 April 2020, the parent's shareholders appointed us to perform the statutory audit of its separate and consolidated financial statements as at and for the years ending from 31 December 2020 to 31 December 2028.

We declare that we did not provide the prohibited non-audit services referred to in article 5.1 of Regulation (EU) no. 537/14 and that we remained independent of the parent in conducting the statutory audit.

We confirm that the opinion on the consolidated financial statements expressed herein is consistent with the additional report to the *Collegio Sindacale*, in its capacity as audit committee, prepared in accordance with article 11 of the Regulation mentioned above.



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Report on other legal and regulatory requirements

Opinion on the compliance with the provisions of Commission Delegated Regulation (EU) 2019/815

The parent's directors are responsible for the application of the provisions of Commission Delegated Regulation (EU) 2019/815 with regard to regulatory technical standards on the specification of a single electronic reporting format (ESEF) to the consolidated financial statements at 31 December 2024 to be included in the annual financial report.

We have performed the procedures required by Standard on Auditing (SA Italia) 700B in order to express an opinion on the compliance of the consolidated financial statements with Commission Delegated Regulation (EU) 2019/815.

In our opinion, the consolidated financial statements at 31 December 2024 have been prepared in XHTML format and have been marked up, in all material respects, in compliance with the provisions of Commission Delegated Regulation (EU) 2019/815.

Opinion and statement pursuant to article 14.2.e)/e-bis)/e-ter) of Legislative decree no. 39/10 and article 123-bis.4 of Legislative decree no. 58/98

The parent's directors are responsible for the preparation of the group's reports on operations and on corporate governance and ownership structure at 31 December 2024 and for the consistency of such reports with the related consolidated financial statements and their compliance with the applicable law.

We have performed the procedures required by Standard on Auditing (SA Italia) 720B in order to:

- express an opinion on the consistency of the report on operations and certain specific information presented in the report on corporate governance and ownership structure required by article 123-bis.4 of Legislative decree no. 58/98 with the consolidated financial statements;
- express an opinion on the consistency of the report on operations, excluding the section that includes the consolidated sustainability statement, and certain specific information presented in the report on corporate governance and ownership structure required by article 123-bis.4 of Legislative decree no. 58/98 with the applicable law;
- issue a statement of any material misstatements in the report on operations and certain specific information presented in the report on corporate governance and ownership structure required by article 123-bis.4 of Legislative decree no. 58/98.

In our opinion, the report on operations and the specific information presented in the report on corporate governance and ownership structure required by article 123-bis.4 of Legislative decree no. 58/98 are consistent with the group's consolidated financial statements at 31 December 2024.

Moreover, in our opinion, excluding the section which includes the consolidated sustainability statement, the report on operations and the specific information presented in the report on corporate governance and ownership structure required by article 123-bis.4 of Legislative decree no. 58/98 have been prepared in compliance with the applicable law.

With reference to the above statement required by article 14.2.e-ter) of Legislative decree no. 39/10, based on our knowledge and understanding of the entity and its environment obtained through our audit, we have nothing to report.



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Our opinion on compliance with the applicable law does not extend to the report on operations' section which includes the consolidated sustainability statement. Our conclusion on the compliance of this section with the legislation governing its preparation and with the disclosure requirements of article 8 of Regulation (EU) 2020/852 is included in the assurance report prepared in accordance with article 14-bis of Legislative decree no. 39/10.

Milan, 27 February 2025

KPMG S.p.A.

(signed on the original)

Jacopo Ralph Ronzoni
Director of Audit